

# THE EXECUTIVE

## THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

March/April 2015

## 2015 Annual Meeting Highlights

On February 5, 2015, the Nebraska Chamber of Commerce and Industry held its Annual Meeting and Legislative Caucus at The Cornhusker Marriott Hotel in Lincoln. Speaker of the Legislature Galen Hadley of Kearney addressed the State Chamber Board of Directors who met early in the day. Speaker Hadley spoke on some of the top issues, including tax legislation, before state lawmakers this year.

Governor Pete Ricketts was the keynote speaker at the State Chamber luncheon, which honored the contributions of local chambers of commerce from across the state. Governor Ricketts issued a proclamation declaring February 2015 as "Nebraska Chamber of Commerce Month." **Glenna Phelps-Aurich**, president and CEO of the Cheyenne County Chamber, and **Dan Mauk**, president and CEO of the North Platte Area Chamber & Development Corp., accepted the proclamation on behalf of the Nebraska Chamber of Commerce Executives (NCCE).

The afternoon policy sessions featured experts on workforce development and federal issues.

State Senator Kate Bolz of Lincoln, John Spatz of the Nebraska

Association of School Boards, and Dr. Cory Epler with the Nebraska Department Of Education highlighted some of the efforts taken in the Legislature and the education community to enhance Nebraska's career readiness. Doug Loon with the U.S. Chamber of Commerce and Michael Whatley of the Consumer Energy Alliance reviewed the current dynamics on Capitol Hill, as well as prominent federal issues that could affect Nebraska businesses.

At the traditional Legislative Leaders Panel, state Senators Mike Gloor of Grand Island, Jim Smith of Papillion, Ken Schilz of Ogalalla, Burke Harr of Omaha, and Heath Mello of Omaha addressed some of the major issues facing their respective committees.

In the evening, more than 40 state senators joined approximately 550 State Chamber members and the governor, as well as First Lady Susanne Shore, for the Annual Banquet. The banquet featured the traditional passing of the gavel from 2014 State Chamber Chair **Chris C. Roth**, president and CEO of Reinke Manufacturing in Deshler, to 2015 Chair **Kimberly A. Russel**, president and CEO of Bryan Health in Lincoln.

The evening concluded with the induction of the 2015 Nebraska Business Hall of Fame members. The newest Business Hall of Fame members are:

♦ JoAnn M. Martin, Lincoln, president and CEO of Ameritas Life Insurance Corp. and Ameritas Mutual Holding Company.

♦ Earl May (deceased), Omaha, founder of Earl May Seed and Nursery, as well as KMA Radio in Shenandoah, Iowa.

♦ Richard F. Reinke (deceased), Deshler, founder of Reinke Manufacturing.

♦ Michael B. Yanney, Omaha, founder and chairman emeritus of Burlington Capital Group, formerly America First Companies, which has managed public investment funds. ■

*Highlight photos on page 3*



*Chris Roth, 2014 State Chamber Chair, presents the gavel to 2015 Chair Kim Russel at the Chamber's Annual Meeting evening banquet held in Lincoln on February 5. Chairman Roth led the State Chamber through a successful year for the association, including the implementation of "The Good Life for Veterans" initiative.*

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## State Chamber Views...

Editorial by Barry L. Kennedy, CAE, IOM

President

Nebraska Chamber of Commerce & Industry

# The Keys To Wise Tax Policy

**T**his year's session of the Nebraska Legislature has produced another discussion about Nebraska's heavy tax burden.

The governor has offered his ideas for tax relief. Many of Nebraska's 49 senators have offered their own plans. For the next several weeks, the Legislature's Revenue Committee will continue to hold hearings on newly introduced tax-related legislation.

At this point in the session, only two things are crystal clear: First, all reasonable individuals can agree that Nebraska's taxes, overall, are too high. Second, Nebraskans will be divided on the best method of tax relief because different taxes affect residents to differing degrees.

The mission of the Nebraska Chamber for the past 103 years has been to represent the state's business community and to give it voice at the Legislature – from large employers to main street businesses, from sole proprietorships to startups, from manufacturers to agri-business.

Our members tell us that taxes, at all levels, are a major cost of doing business. They impact Nebraska's competitiveness when it comes to creating jobs, attracting new businesses or expanding existing ones.

But don't just take our word. Respected, independent third parties have analyzed Nebraska's tax structure and its impact on the business community. Here are some of their findings:

◆ The Tax Foundation says Nebraska's top personal income tax rate of 6.84% is 15th highest among states

levying an income tax. (This does not include federal income tax, which takes as much as another 39.6% of personal income. The average taxpayer in Nebraska paid \$9,200 in federal income taxes in 2013, according to the National Priorities Project. Keep in mind the majority of businesses pay at the individual tax level.)

◆ Nebraska's maximum corporate tax rate is 19th highest among states with a corporate income tax. In addition, Nebraska corporations face a top federal tax rate of 39.1%, the highest corporate rate in the developed world.

◆ A recent study by the Council On State Taxation (COST) reports that businesses paid \$4 billion in state and local taxes in 2013 in Nebraska. Property taxes – levied by local units of government – took \$1.7 billion of this amount, while individual income taxes on business income claimed another \$400 million, and the state's corporate income tax took another \$300 million.

◆ Comparing tax burdens, COST found that Nebraska businesses paid roughly 40% the total state taxes and 56% of total local taxes.

Nebraska's business community has plenty of skin in the game. That's why the State Chamber would like to offer three simple principles to our state policymakers:

1. Wise tax policy must benefit all taxpayers. It must be fair and equitable, taking care to not pit one sector of the economy against another or one industry against another.

2. Smart tax law must make Nebras-

ka more competitive. It cannot ignore the large amount of taxpayer dollars being taken by the federal government from individuals and businesses.

3. While property tax relief is needed, we must not simply shift the burden by raising income and sales taxes. Since local governments and school districts levy property taxes in Nebraska, the only way real property tax relief can be achieved is through reduced local spending coupled with more efficient management.

Fortunately, there are legislative proposals currently before the Legislature that would significantly improve Nebraska's overall tax climate, while adhering to these principles.

For example, Papillion Senator Jim Smith and 10 other senators have offered **LB357** to gradually reduce the state's personal and corporate income tax rates over the next eight years, providing tax relief to families and businesses. In addition, the bill would generously boost the state's property tax credit program.

Another proposal worth considering is Omaha Senator Burke Harr's **LB398** to exempt all tangible personal property from property tax. This would greatly benefit Nebraska businesses, as well as farmers and ranchers, by doing away with the antiquated tax on depreciable personal property used in the trade of business – whether a tractor or combine, manufacturing equipment, desks, computers or telephones.

Of course, no tax relief will sufficiently address Nebraska's high tax climate if public sector spending is not curtailed. Public spending, including at the local level, is directly responsible for Nebraska's heavy tax burden.

State lawmakers have some difficult choices ahead in the coming weeks. Yet amid the uncertainty, we know our economy depends on the ability of businesses to prosper. By improving conditions for the private sector – by encouraging new jobs and investments – Nebraska can be a better place for all taxpayers. ■



# 2015 Annual Meeting Highlights

*Speaker of the Nebraska Legislature Galen Hadley addressed the State Chamber Board of Directors at its February 5 morning meeting in Lincoln. He noted the challenges of the 2015 session, including consideration of the large number of tax relief proposals and reform of several state agencies.*



## Nebraska Business Hall of Fame Inductees



*Governor Pete Ricketts presents the Nebraska Business Hall of Fame award to the class members of 2015 and their families. This year's inductees were: Earl May (deceased), Omaha, Earl May Seed and Nursery and KMA Radio (above left); Michael Yanney, Omaha, founder and chairman emeritus of Burlington Capital Group, formerly America First Companies (above right); JoAnn Martin, Lincoln, Ameritas Life Insurance Corp. and Ameritas Mutual Holding Company (below left); and Richard Reinke (deceased), Deshler, Reinke Manufacturing (below right).*





# 2015 Annual Meeting Highlights (Continued)



Appearing at the Legislative Leaders panel were state Senators Mike Gloor of Grand Island, Jim Smith of Papillion, Ken Schilz of Ogalalla, Burke Harr of Omaha, and Heath Mello of Omaha.

## Upcoming Veterans Job Fairs At Ft. Riley, Rapid City

If you're a Nebraska employer seeking disciplined, skilled and hard-working employees, consider participating in two nearby veterans job fairs this year. One will be April 22, 2015, from 9 a.m. to 2 p.m. at Fort Riley, KS – home of the 1st Infantry Division ("The Big Red One"), the oldest continuously serving division in the U.S. Army.

The other will be June 24, from 12:30 p.m. until 5 p.m. in Rapid City, S.D., near Ellsworth Air Force Base, which is home to one of only two B-1B Lancer strategic bomber wings in the U.S. Air Force.

Registration for both events is free for employers, but employers are asked to have current job openings if they have tables at these events. Booth space is limited, so register soon. Staff from the Nebraska Chamber will attend these events as part of the organization's "The Good Life For Veterans" initiative.

To register for the Rapid City fair, contact Kara Palmer at (605) 394-4066 or [Kara.palmer@state.sd.us](mailto:Kara.palmer@state.sd.us).

To register for the Ft. Riley fair, go to: <http://godefense.cpmx.osd.mil/hiringheroes/riley/index.aspx>. ■



## Boost Your Local Workforce With Internships

One of the top concerns voiced by Nebraska employers is the lack of qualified or skilled workers. A recent Nebraska Chamber survey of business leaders across the state found a majority (52%) of respondents had experienced difficulty hiring qualified employees in the past year.

Fortunately, Nebraska offers a unique program to improve the state's workforce situation and retain Nebraska's best and brightest. The Intern Nebraska (InternNE) program – administered by the Department of Economic Development (DED) – provides financial assistance to businesses in Nebraska that create new internships. Interns gain valuable business experience, while businesses develop future leaders.

Research shows that more than 50% of interns become full-time employees at their place of internship, so internships are a way to help ensure your community and its businesses continue to grow. Eligible applicants are businesses with physical operations facilities in Nebraska, including for-profit businesses and non-profit organizations.

For a detailed description of the rules and requirements, visit [www.internne.com](http://www.internne.com). Or call Allison Hatch with DED at (402) 471-3368 or e-mail [allison.hatch@nebraska.gov](mailto:allison.hatch@nebraska.gov). ■



## Tell Us If You've Changed Your E-Mail

If you have recently changed your e-mail address or have not yet provided it to the Nebraska Chamber, please take a second and send it to us by e-mailing Kay Koch at [kkoch@nechamber.com](mailto:kkoch@nechamber.com) or call (402) 474-4422.

By providing us your current e-mail address, you will receive important communications from the State Chamber, including the State Chamber's weekly Legislative Report, a report written by our staff regarding new legislation and recent actions in the Unicameral that could impact Nebraska's business community. You will also receive the State Chamber's News Update, a summary of state and national news on events and trends that may affect Nebraska's economy.

Get the most from your Chamber membership. Be sure your e-mail address is up to date. ■

# Governor Ricketts Recognizes Chambers Of Commerce

At the State Chamber's 2015 Annual Meeting in Lincoln, held February 5, Governor Pete Ricketts issued a proclamation declaring February as Chamber of Commerce Month in Nebraska. The proclamation was presented to the Nebraska Chamber of Commerce Executives (NCCE).

The governor's proclamation declared: "Chambers of commerce play a vital role in shaping Nebraska's future by promoting the free enterprise system" and providing leadership while fostering "an economic climate conducive to growth and development." The governor also proclaimed that chambers of commerce in Nebraska "enhance the quality of life for our citizens."

Receiving the proclamation from Governor Ricketts were **Glenna Phelps-Aurich** (left), president & CEO of the Cheyenne County Chamber and current chair of the NCCE Executive Advisory Council, along with **Dan Mauk**, president and CEO of the North Platte Area Chamber and Development Corp., the current NCCE chair. ■



## Leadership Nebraska Honors Newest Graduates

Twenty-five Nebraska leaders were honored with certificates and commemorative awards at the State Chamber's Leadership Nebraska Commencement ceremony held February 19 in Lincoln.

The Leadership Nebraska program is dedicated to the development of informed individuals who understand issues, define problems, develop solutions, and want to achieve positions of higher responsibility. The program includes six two-day sessions in various locations across Nebraska. Topic areas include economic development, health care, agriculture, education, and government and policy.

The newest Leadership Nebraska graduates are:

**Ben Allemann**, National Research Corp, Lincoln; **Karl Barfuss**, NUCOR Steel, Norfolk; **John Barrett**, Great Plains Communication, Omaha; **Amy Brown**, Bluffs Sanitary Supply, Scottsbluff; **Daren Buettner**, NUCOR Steel, Norfolk; **Jon Burt**, Ak-Sar-Ben Foundation, Omaha; **Juli Comstock**, Omaha Public Power District, Omaha; **Brad Fooker**, Glass House, Fremont; **Melissa Garcia**, Custer Economic Development Corporation, Broken Bow; **Brandy Johnson**, Black Hills Energy, Lincoln; **Corrie Kielty**, Nebraska CASA Association, Lincoln; **Scott Kvols**, Pinnacle Bank Hastings; **Tara Lea**, Ralston Area Chamber, Ralston; **Jessica Meyer**, Consortia Consulting, Lincoln; **Judy Mitchell**, Blue Cross Blue Shield of Nebraska, Omaha; **Terry Rajewich**, Nebraska Public Power District, Scotts-

bluff; **Jim Reiff**, Nebraska Enterprise Fund, Oakland; **Chris Sommerich**, Humanities Nebraska, Lincoln; **John Sullivan**, BCDM Architects, Omaha; **Michael Swope**, Omaha; **Randy Throener**, BKD CPA's & Advisors, Lincoln; **Patti Vannoy**, Mattson Ricketts Law, Lincoln; **Terry Warth, Sr.**, Nebraska Public Power District, Columbus; **Mike Wilken**, Beacon Insurance, Kearney; and **Walker Zulkoski**, Nebraska Department of Economic Development, Lincoln.

Application forms for the next Leadership Nebraska class may be submitted until April 10, 2015. For more on the State Chamber's Leadership Nebraska, contact Roberta Pinkerton at (402) 474-4422 or visit [www.leadershipnebraska.com](http://www.leadershipnebraska.com). ■







## State Chamber's D.C. Fly-In, April 28-29

The State Chamber's 2015 visit to Washington, D.C., will be held April 28-29. All members of the Nebraska Chamber and/or local chambers are invited to participate.

This year's planned activities include:

- ◆ A tour of Ford's Theater – 150 years after the assassination of President Lincoln.
- ◆ Federal issue policy briefings from the U.S. Chamber and National Association of Manufacturers.
- ◆ A reception at the offices of Husch Blackwell, LLP, overlooking the White House.
- ◆ Dinner at the Oceanaire restaurant.
- ◆ The traditional Nebraska Breakfast at the U.S. Capitol.
- ◆ The annual Nebraska Chamber Congressional Luncheon at the Capitol Hill Club.

Registration cost for the State Chamber's D.C. Fly-In is \$85 per person to help cover costs for the Capitol Hill luncheon. Please note that Fly-In participants must plan their own travel and lodging. (The registration fee does not include travel or lodging.)

For more information or a detailed schedule, e-mail Jamie Karl at [jkarl@nechamber.com](mailto:jkarl@nechamber.com) or call (402) 474-4422. To register, send your registration fee of \$85 per person to the Nebraska Chamber, P.O. Box 95128, Lincoln, NE 68509-5128.

A block of hotel rooms has been reserved at the Beacon Hotel, 1615 Rhode Island Avenue, NW in D.C. Special room rate is \$259 a night (including up to two days before or after the Fly-In). To reserve a room, call (800) 821-4367 no later than March 31 and reference the Nebraska Chamber's D.C. Fly-In. The rate includes a complimentary upgrade, wireless Internet, 15% off dining in the restaurant, on-site fitness facility and access to the nearby YMCA. ■

### 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. We encourage you to consider doing business with fellow Chamber members.

#### **BELLEVUE**

**Lockheed Martin Corporation**  
Frank Gallegos

#### **FAIRBURY**

**Schwab & Simpson PC**  
Ronald Schwab

#### **GRAND ISLAND**

**Grand Island/Hall County Convention & Visitors Bureau**  
Brad Mellema

#### **GRANT**

**Valley Pro Irrigation Inc.**  
Tom Kimbal

#### **LINCOLN**

**Echo Canyon Systems Strategies & Solutions, LLC**  
Rick Sheehy

#### **Hexagon Lincoln, Inc.**

Jack Schimenti

#### **Holiday Inn Lincoln – Downtown**

Kyle Hatch

#### **Industrial Services, Inc.**

Lori Knaub

#### **OMAHA**

**AAA Nebraska**  
Rose White

#### **Greater Omaha Convention & Visitors Bureau**

Dana Markel

#### **Norm's Door Service**

Ruth Smith

#### **Strategic Business Development, LLC**

Pete Festersen

#### **Turner & Associates Corp.**

LeAnn Moll

#### **O'NEILL**

**Holt County Economic Development**  
Nicole Sedlacek