

THE STATE CHAMBER

EXECUTIVE



Nebraska Chamber of Commerce & Industry

September | 2006

Fall Legislative Forums In Your Area

Voters this fall will elect 24 state senators, with at least 21 new members from across the state. The Nebraska Chamber of Commerce & Industry needs to hear from you this fall as we visit over 30 Nebraska communities for our annual Legislative Forums during the weeks of September 11-13, September 19-22, and September 25-28 and several dates in October. Enclosed is a flyer detailing dates and locations of the 2006 State Chamber Fall Legislative Forums.

This is your opportunity to compare the candidates, 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. With so many new senators to be elected, it is more important than ever for the business community to know the candidates and issues before the November election.

Times and locations have been finalized by your local chambers of commerce who host the Forums in their communities and handle reservations. There are some changes since the last flyer was sent out. The

location in Crete will now be the Community Center at 14th and Main. In Gothenburg, the new location is the Randazzle Café. We have also added a Forum in Seward on Thursday, September 21, at noon at Valentino's. State Chamber elected leaders and executive staff members will be present to discuss issues regarding taxation and answer your questions.

Surveys have shown that employers are well regarded by their employ-

ees as a good source of information on elections and issues affecting their jobs and lifestyles. With such a large change in the Unicameral's membership, 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. ■

A New Visual Identity For The State Chamber

The Nebraska Chamber of Commerce & Industry is taking on a new look, compliments of Bailey Lauerman. The revamped logo, or visual identity, is designed to give proper emphasis to our most commonly used name, "The State Chamber." Our official name, Nebraska Chamber of Commerce & Industry, follows as a subhead to the design. Prominent in the logo is a Nebraska State shape with a forward arrow that symbolizes the Chamber's role in moving our state ahead or making Nebraska's future "greater." The new mark will consistently remind us of the Chamber's mission and the successful and vital role the organization plays in the support of business growth and development.

General Elections Update

The November 7 General Election is fast approaching.

The State Chamber encourages all members to look at the VoteForBusiness.com link on our website. The 33% voter turnout in this year's primary speaks volumes about the importance of employers and employees voting and knowing the candidates and where they stand.

VoteForNebraska.com enables you to easily register to vote, get absentee ballots, and to educate yourself on state and federal candidates — all from a single website.

VoteForNebraska.com provides all the resources needed to improve grassroots participation from your employees. From the website, your

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State Chamber Views...

Editorial by Barry L. Kennedy

President,

Nebraska Chamber of Commerce & Industry

"Seeking A Strong Business Climate"

Within the Articles of Incorporation for the Nebraska Chamber of Commerce & Industry one statement declares that our purpose is:

"To promote, encourage and protect all aspects and elements of the private free enterprise system in Nebraska."

This is the mission that essentially maps our agenda for legislative action.

As we move into the Fall, we are once again traveling across Nebraska to listen to ideas and share thoughts on what is needed to improve Nebraska's business climate. Local Chambers in over 30 communities will be hosting our Fall Legislative Forums to discuss legislative priorities and meet with either elected officials or those candidates vying to make the decisions that will lead our state into the future.

A year ago at this time, the Nebraska Advantage legislation had been passed, but had not yet taken effect. Its effective date was January 1, 2006. The Act, passed in the 2005 legislative session, is designed to create a business climate that makes Nebraska a preferred location for both growing your existing business as well as starting new businesses. The Nebraska Advantage Act encourages capital investment in Nebraska, provides incentives based on employment and compensation and provides for job training of many Nebraskans. In addition, the legislation repealed the state sales tax on machinery and equipment used in the manufacturing process.

How is the package working? According to Governor David Heineman, "In the first five months we received applications from 50 companies interested in creating 6,200 jobs

and investing \$2.6 billion in our state. Those numbers are even more significant when you consider that an early forecast on the job creation potential of the Nebraska Advantage estimated the state might see an average of about 2,600 new jobs in each of the first several years the package is in effect."

Your State Chamber, and many others, worked very hard to retool our job and investment incentive package to be more competitive. In fact, Nebraska received a top 10 listing recently in *Forbes* Magazine's Special Report on the Best States For Business. Only Colorado ranks ahead of Nebraska in our region. The *Forbes* listing takes into account many factors regarding business costs, labor, regulatory environment, economic climate, growth prospects and quality of life.

We are now focusing our efforts on formulating legislation that will systematically improve the overall business tax climate for the long term. Obviously, the level of taxation affects business decisions, the creation of employment opportunities, job retention, plant location, competitiveness, and the long-term health of a state's economy. Taxes diminish profits, and if they take a large portion of profits, those costs are passed on to consumers in the form of higher prices. Excessive taxes adversely affect workers (through lower wages or fewer jobs) and shareholders (through lower dividends or return on investments). The effect of high taxation may force a business to direct its activities to a more hospitable location. Entrepreneurial states will take advantage of the tax increases of bordering states and regional neighbors to lure businesses out of high tax states.

All things considered, Nebraska is

still a high tax state. Efforts to remedy that situation are ongoing. During the past two legislative sessions, some positive changes to the tax system in Nebraska have been passed. I mentioned earlier the repeal of the state sales tax on equipment and machinery used in manufacturing and processing. The individual income brackets have also been adjusted so that a larger portion of income will be taxed at lower rates. The phase-out of the income tax personal exemption was repealed and more materials have been exempted from the sales tax when used in manufacturing molds and dies.

Serious attempts to address tax reform during the next legislative session, which will convene on January 3, 2007, is needed and timely, especially since current economic conditions in Nebraska have created a surplus in revenue collections.

There will be many ideas to consider, but at least four concepts introduced before should be re-introduced and prioritized:

Efforts to lower the individual income tax rates to pre-2003 levels;

Adjust corporate income tax brackets in order to recognize the effects of inflation over the past decade;

Repeal the state Estate Tax. (Nebraska is one of a handful of states that still impose this tax, which is a major detriment for intergenerational transfers);

Repeal several identified business-to-business sales taxes on services, (such as the taxation of business computer software).

To remain competitive, we must also provide meaningful opportunities for companies involved with research and development, so that we can continue to diversify our economy.

The Nebraska Chamber of Commerce & Industry will be working with all of our elected policymakers, and we will be assisting them in finding new ways to provide tax relief for all Nebraska taxpayers, promote investments by Nebraska companies across our state, and further enhance the Nebraska business climate. ■

Cornerstone Dinner

The State Chamber Cornerstone members had dinner at the Governor's Mansion on August 22. Governor Dave Heineman gave brief remarks to attendees on current state issues. The immediate Past Chairman of the State Chamber serves as Chairman of the Cornerstone members for a one-year term. The key to this

program is the recognition of key State Chamber members, doing their fair share, and even more than their fair share (if a smaller company), to help provide additional funding for the Nebraska Chamber of Commerce & Industry to enhance and expand its services to all State Chamber members.



Current Cornerstone Members are:

AAA NEBRASKA
AFLAC
ALTRIA GROUP
AMERITAS LIFE INSURANCE CORP.
AMERITRADE
ARCHER DANIELS MIDLAND
AQUILA
BALDWIN FILTERS
BECTON DICKINSON
BEHLEN MFG.
BLUE CROSS & BLUE SHIELD OF NE
BNSF RAILWAY
C&A INDUSTRIES
CABELA'S
CARGILL - BLAIR
CARGILL MEAT SOLUTIONS
CHIEF INDUSTRIES
CONAGRA FOODS
CONNECTIVITY SOLUTIONS MFG.
CORNERSTONE BANK
DOUGLAS MANUFACTURING
DUNCAN AVIATION
EXMARK MANUFACTURING
FARMERS MUTUAL INSURANCE
FARMLAND FOODS
FIRST DATA
FIRST NATIONAL BANK
GREAT PLAINS COMMUNICATIONS
HUSQVARNA TURF CARE
KELLOGG COMPANY
KINDER MORGAN

LINCOLN BENEFIT LIFE
LINCOLN PLATING
MBA POULTRY
MDS PHARMA SERVICES
MUTUAL OF OMAHA
NEBCO
NEBRASKA BOOK COMPANY
NEBRASKA CABLE
NELNET
NPPD
ORIENTAL TRADING
PAYPAL
PINNACLE BANK
QWEST COMMUNICATIONS
SMEAL FIRE APPARATUS
STATE FARM INSURANCE
TIERONE BANK
TYSON/IBP FOODS
UNION PACIFIC
UNIVERSITY OF NEBRASKA
VETTER HEALTH SERVICES
WELLS FARGO
WERNER ENTERPRISES
THE WESTERN SUGAR
COOPERATIVE
WINDSTREAM

For more information on this program, please contact James Berringer, Vice President Membership & Marketing at the State Chamber. ■



Tony Raimondo, Governor Heineman and State Chamber Chairman Rich Bailey.



Governor Heineman and Cornerstone Chairman Gary Warren.



Some 26 Cornerstone Members gathered at the Governor's Mansion.



The State Chamber's Leadership Nebraska Program Underway

September 8 was the official announcement of the State Chamber's Leadership Nebraska program and the beginning of the application period for the inaugural class. Applications will continue through mid-October, and the first class will be notified in December.

The program is aimed at persons who have demonstrated community and professional leadership experiences. We plan to offer six 1 ½-day to 2-day sessions per year that would give class members an opportunity to develop and hone leadership skills and gain a broader understanding of issues facing Nebraska. Sessions will begin with an Orientation Retreat at Mahoney State Park in mid February, the session on Public Service in Lincoln in late March, the Agriculture session in Scottsbluff in early May, the Economic Development session in late June, the Education session in Kearney in late July and early August, the Health/Healthcare/Human Services session in Norfolk in September. A graduation ceremony will be held in Lincoln in October.

At each leadership session, recognized authorities - practitioners, teachers, professionals and analysts - provide information and insight into program topics. A variety of views is presented on each topic considered, and visits are made to local sites to reinforce, through observation and practical experience, the subject matter of the program.

Selection is competitive and applications are due in mid October. Candidates learn the decision of the Selection Committee in December, are introduced to the state at the State Chamber Annual Meeting in early February. Tuition for the 2006-07 Class will be \$3,000. Meals and lodging are included, but participants are responsible for travel costs to the class site. Nomination forms for the next class may be submitted beginning September 8 through October 15, 2006. Those interested in applying are not required to have a third party nomination; self-nominations are encouraged. Applications can be accessed at the State Chamber's Leadership Nebraska website: statechamberleadershipnebraska.com.

A tax-deductible non-profit 501(c)(3) organization has been organized for the State Chamber's Leadership Nebraska, and we have been successful in obtaining some grant funds. The program is still in need of financial support and would welcome sponsors and donors to help underwrite costs, help match our Kiewit Foundation grant, and provide for scholarships for qualified candidates.

For more information on any aspect of the State Chamber's Leadership Nebraska program, please contact Council Chairman Bob Harris or Vice President-Public Affairs Don Mihovk at the State Chamber office. ■

General Elections Update (Continued from page 1)

employees can register to vote, apply for absentee ballots, locate their polling place, and study the candidates running at the federal, state, and local level.

In addition, please make yourself known to, and become acquainted with, the people in your district who are running or who are interested in

running for the Nebraska Legislature. Invite them to visit your place of business and see firsthand the economic impact that you are making in your community. There is no better way for a candidate to appreciate the importance of your investment and jobs that have been created than to see your facilities and employees in person. ■

Council Meeting Set For November

Most State Chamber Councils will be meeting during the week of November 13 to discuss policy positions and prepare for the next legislative session. Health Care and Education will meet on November 13 at the State Chamber Lower Level Conference Room. Taxation and Economic Development will be meeting at the Cornhusker Marriott on November 14. Small Business will meet on November 15 at the State Chamber Lower Level Conference Room. Agri-Business and Environment will also meet at the State Chamber Lower Level Conference Room on November 16. The Labor Committee will meet at the Cornhusker Marriott on Friday, November 17. Times of the meetings will be sent to members in October.

For more information on the Councils, please contact the State Chamber office at (402) 474-4422. ■

Pat On The Back

Lincoln Plating Wins Again!

For the third straight year, Lincoln Plating has been named one of the Top 25 medium-sized companies to work for by the Society For Human Resource Management.

Lincoln Plating ranked 11th, up from 20th last year, in the list of companies ranging from 250 to 999 employees. Companies on the list are financially successful and provide generous salaries, benefit packages, employee ownership options and bonuses, according to a Society press release. Those policies foster open, creative, respectful workplaces where employees feel energized and vested in the success of the business, the Society says.

The list and related stories appear in the July 2006 HR Magazine and at www.shrm.org/hrmagazine. You can also see the list at www.greatplacetowork.com. ■