

THE EXECUTIVE

THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry
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Income Tax Relief, Workforce & Housing Among State Chamber's 2018 Priorities

The Nebraska Chamber of Commerce and Industry has announced its 2018 major legislative objectives as approved by the chamber's board of directors. Some of the State Chamber's key legislative priorities for the new year include:

- **Income Tax Relief & Economic Competitiveness.** Currently, Nebraska's maximum individual income tax rate is 6.84% – the nation's 15th highest – on earnings just above \$29,000. Nebraska's top corporate tax rate is 7.81%, also 15th worst in the nation. The state's high income tax burden has negatively affected economic growth and job creation, making the Cornhusker State less competitive. The State Chamber will support efforts to lower Nebraska's highest individual income tax rate, as well as initiatives to harmonize the corporate tax rate with the individual income tax structure. The chamber will oppose efforts to increase state sales and income taxes, as well as legislation that would expand the state sales tax base on business inputs or further earmark tax revenue for specific spending programs.
- **Workforce Development.** A recent chamber survey of Nebraska's business leaders found that eight in 10 respondents said their community or business faced a workforce shortage, with skilled labor being highest in demand. Because Nebraska's growth depends on its talent supply, the chamber will support policies and programs aimed at growing, educating and improving Nebraska's workforce. Specifically, the chamber recognizes the value of the state's Intern NE program and customized job training, as well as career academies that focus on specific vocational skills in high school and junior high. Also, the chamber will support reciprocal state licensure and certification recognition, as well as efforts to recruit new workers to Nebraska.
- **Housing Availability.** In recent years, a majority of Nebraska communities have experienced a shortage of available housing, regardless of price level. The chamber supports efforts to encourage more private sector development of housing; to incent Nebraska residents to invest in new housing; and to encourage more public/private partnership initiatives to expand Nebraska's housing stock.
- **Efficiency in Government.** The chamber will support initiatives to improve the delivery of public services and the overall efficiency of state and local government. This includes the elimination of unnecessary services and



Rich Herink



Todd Foje

programs; the restraint or reduction of state and local government spending; and the improvement of public employee capacity and output. The chamber will also support further implementation of laws allowing voluntary mergers of government entities.

In addition to approving the Nebraska Chamber's major legislative objectives, the board of directors also confirmed the election of the association's leadership for the new year. **Rich Herink** of Lincoln, market president of First National Bank, will serve as the chamber's 2018 chairman. He officially begins his duties February 1 at the chamber's annual meeting in Lincoln. Herink succeeds **Dirk Petersen**, retired vice president and general manager of Nucor Steel in Norfolk and current partner at Flood Communications. **Todd Foje**, CEO of Great Plains Communications of Blair, will serve as the chamber's chair-elect. ■

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State Chamber Views...
*Editorial by Barry L. Kennedy, CAE, IOM
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Nebraska's Good Life Gets Noticed

Throughout my years at the Nebraska Chamber, I have often said part of the challenge facing local chambers and other business leaders is telling the full story of why Nebraska is a great place to do business and live life.

If someone is intent on pointing out Nebraska's flaws, it's relatively easy to get online, run comparisons against Nebraska's tax rates, and spotlight that Nebraska suffers from a high tax climate.

The State Chamber and others continue to work hard with policymakers to fix our high tax status. In the meantime, we are also obligated to spread the good news about Nebraska.

Trust me – there's plenty of good news to go around.

Our state and its communities continue to receive high marks in national comparisons for affordability and quality of life. This is something for which we can all be proud. After all, Nebraska's business leaders, chambers of commerce, lawmakers and governors have – for decades – worked hard to

improve our state's competitiveness. And we have achieved results.

One example is a 2017 study by LPL Financial that found Nebraska's retirement environment is top in the nation.

For those on the other end of the age spectrum – those under the age of 35 – a recent comparison by financial website MoneyRates.com found Nebraska is among the very best states for millennials, ranking the Cornhusker State third overall. Nebraska also scored in the top 10 for young adult employment and residential rental affordability.

Then there's WalletHub.com's recent study that found Nebraska to be one of America's happiest states. Factors included financial security, physical and emotional health, personal purpose and social connectivity. In all, nearly 30 key metrics were considered. The Cornhusker State scored extremely high in the category of work environment, which includes commute time, personal earnings adjusted by cost of living, jobless rate and job security.

A 2017 comparison by U.S. News & World Report concluded that Nebraska was among the nation's top five most affordable states. This as Forbes deemed Nebraska to be one of America's top states for quality of life – thanks to the state's low crime rates, clean environment, low stress levels, accessible and affordable health care, and lower cost of living. Additionally, Nebraska's outdoor attractions, urban entertainment, small-town charm and low jobless rate are positives that cannot be ignored.

CNBC's annual study ranked Nebraska's education system fifth best overall. The network looked at more than just the state's K-12 public schools – it also included Nebraska's community colleges and other higher education institutions.

Nebraska's major cities continue to score high marks, as well. A recent comparison by NerdWallet ranked Lincoln and Omaha in the top five for overall lifestyle. The online financial publication considered income and health benefits, local economic strength and work-life balance.

In a world that is increasingly more turbulent and tumultuous – with congested areas where the American dream seems unaffordable or unattainable – Nebraska stands out in a positive way.

Put simply, Nebraska offers the perfect blend of opportunity, stability and affordability. And that is a story we need to tell. ■

How Long Retirement Funds Last In Each State

Recently, analysis was conducted to examine how far \$1 million goes in retirement in each state.

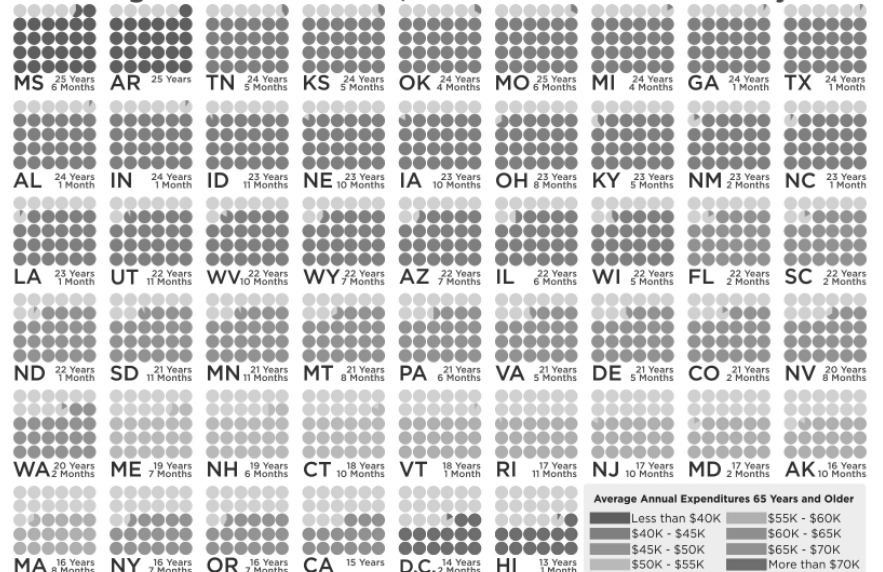
The analysis found that a retiree today could stretch \$1 million about twice as far in Mississippi (the most affordable state for retirement) as he/she could in Hawaii, which is the most expensive state.

Nebraska, meanwhile, came in as the 13th most affordable state according to the study, conducted by website HowMuch.net. The study's authors factored the numbers based on the cost of living index for Q2 of 2017, as well as average annual expenditures for those 65 years old and above.

In Hawaii, \$1 million of savings would last only about 13 years due to a high cost of living index, yet a similar amount of savings in Mississippi and Arkansas would last almost twice as long.

In Nebraska, \$1 million of retirement savings would last 23 years and 10 months. ■

How Long You can Live on a \$1 Million Retirement in Every State



Article & Sources:
<https://howmuch.net/articles/one-million-retirement-by-state>
<https://www.bls.gov/>

howmuch.net

New Directors Join State Chamber Board

At the Nebraska Chamber Board of Directors meeting held in late November in La Vista, the full board approved several new directors.

Joining the State Chamber's board this year are the following individuals: **Patrick Booth**, president & CEO of Fremont Health, Fremont; **John Dinkel**, owner of Dinkel's, Norfolk; **Aaron Gilson**, vice president & sales consultant, Wells Fargo Treasury Management Division, Omaha; **Teresa Grabowski**, president of Nova-Tech, Grand Island; **John**

Hales, vice president of the North Platte Area Chamber and Development Corp., North Platte; **Scott Moore**, senior vice president - corporate relations, Union Pacific, Omaha; **Steve Olson**, president & chief underwriting officer, Great West Casualty, South Sioux City; **Jeff Sylvester**, vice president - operations, Black Hills Energy, Papillion; and **Luke Wassom**, general manager, Sargent Pipe Co., Broken Bow.

Congratulations to these business leaders for their selection to the Nebraska Chamber's Board of Directors. ■

Chamber Thanks Congressional Delegation For Support Of Federal Tax Relief Plan

In late December, Nebraska Chamber President Barry Kennedy issued the following statement regarding congressional approval of the federal tax relief plan:

"Congress and the administration have just made history. Coupled with the regulatory reform that has been implemented over the past 11 months, this tax relief bill makes America one of the most competitive places in the world to do business – and Nebraskans will benefit. A rising tide lifts all boats.

"The State Chamber thanks all five members of Nebraska's federal delegation for their support of this long overdue tax relief and pro-growth stimulus. Special thanks to Congressman Adrian Smith for his work on the Ways and Means Committee – addressing key provisions such as continued deductibility of property taxes for businesses and agriculture – as well as Senator Deb Fischer for her role with the majority leader's team to help secure the bill's passage.

"This is the first major tax relief at the federal level in three decades. It will produce national economic growth and individual prosperity. This plan will not only spur businesses to grow and hire, it will allow more take-home pay for hard-working Nebraskans.

"Smart tax relief should aim to grow the private sector – and this bill will do that. Moreover, it will compel high-tax

states and local governments to re-examine their tax-and-spending priorities, resulting in more tax transparency and competitiveness."

According to the Tax Foundation, the Tax Cuts and Jobs Act will increase the long-run size of the U.S. economy by nearly 2%, resulting in higher wages and nearly 340,000 additional full-time equivalent jobs. To grow business investment and capital, the new tax law does the following:

- Lowers the corporate tax rate permanently to 21%, starting in 2018 – the largest corporate rate reduction in U.S. history. Also, it eliminates the corporate alternative minimum tax.
- Establishes a 20% deduction of qualified business income from certain pass-through businesses (small- and mid-sized firms organized as S-corps, partnerships, LLCs and sole proprietorships). Over 90% of Nebraska businesses are pass-through entities, which pay income taxes at individual rates.
- Provides full (100%) and immediate expensing of short-lived capital investments for five years. The bill also increases the section 179 small-business expensing cap from \$500,000 to \$1 million.
- Retains the tax incentives for research and development. ■

News Briefs: Forbes Says Nebraska Is Among Best States For Business

Forbes Names Nebraska Fourth Best for Business. Nebraska has dropped one spot in Forbes' 2017 Best States for Business ranking, which was published the last week of November. However, the state remains in the publication's top four after being number 3 the past two years. Nebraska was a top-10 state in the key categories of regulatory environment, quality of life and business costs. Nebraska's lowest ranking, 25th, was for its economic climate. North Carolina was named the top state for business, followed by Texas and Utah.

Study: Nebraska Sixth Best-Run State. Financial website 24/7 Wall St. recently reviewed the economic conditions, and finances of every state in the country. Nebraska was named the sixth best-run state in the nation, as the Cornhusker State boasted one of the nation's lowest debts-per-capita and jobless rates. "Nebraska is in a far better position financially than most states," the study noted. "The state has set aside a rainy day fund equal to 16.1% of its 2018 budget, partially to reduce the likelihood of future tax hikes. ... Additionally, Nebraska's debt accounts for only 15.9% of its total revenue, the second lowest debt-to-revenue ratio of any state." Minnesota was named the best-run state in the country, while Louisiana was ranked the worst.

Report: Nebraska Lags In Tech Startups. A new study says Nebraska ranks near the bottom nationally for startup firms. The Information Technology and Innovation Foundation's study shows that Nebraska is ranked close to the bottom when it comes to how many startups there are relative to other businesses in the state, with only 1.5% of all Nebraska businesses being startup technology firms. That is eighth lowest among all states and well below the U.S. average of 2.9%. However, Nebraska performs better when it comes to the percentage of jobs at tech companies and the average size of startup tech firms – the later in which Nebraska is eighth overall. ■

Leadership Nebraska Accepting Applications For Class XI

The State Chamber's Leadership Nebraska is now accepting applications for Class XI, which will begin in June. The program will accept 25 to 30 adult professionals from all across Nebraska – and from the public, private and non-profit sectors – who represent a cross-section of the various geographic regions of the state.

Participants are selected based on their demonstrated leadership activities and their desire to serve and help shape Nebraska's future.

Class members have an opportunity to develop and hone leadership skills and gain a broader understanding of issues facing Nebraska, with a focus on issues in the topical areas of:

- Economic Development
- Education & workforce development
- Agriculture
- Government & Policy
- Health & Human Services

If you would like to recommend a candidate from your business or community, please contact Roberta Pinkerton at rpinkerton@nechamber.com or call 402-474-4422.

If you would like to apply to participate in the next Leadership Nebraska class, visit www.leadershipnebraska.com.

Applications are due no later than Friday, April 13, 2018. ■



Register Now For State Chamber's Annual Meeting

The State Chamber's 2018 Annual Meeting and Legislative Caucus will be Thursday, February 1, at The Cornhusker Marriott Hotel in Lincoln.

This is one of Nebraska's most recognized and well-attended business events. Participants will have an opportunity to hear from key state lawmakers and business leaders, as well as attend briefings on vital issues of concern to the state's private sector.

Beginning at noon the Nebraska Chamber of Commerce Month Luncheon, which recognizes the efforts of local chambers from across the state. The State Chamber's Annual Business Meeting will start at 1:15 p.m.

The afternoon will also feature three policy discussion panels, comprised of experts who will speak on important topics of interest to the business community.

The evening banquet begins at 7 p.m. and will feature the traditional passing of the gavel to the new State Chamber chairman, as well as a special tribute to the newest inductees of the Nebraska Business Hall of Fame.

For more information or to register, call (402) 474-4422 or email Charlie Volnek at cvolnek@nechamber.com. If your business is interested in sponsoring the annual meeting, e-mail James Berringer at jberringer@nechamber.com. ■

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.

BLAIR

McKinnis Inc.

Jeremy McKinnis

Recommended by: Blair Area Chamber of Commerce

FREMONT

Royal Canin USA

Don Cornett

KEARNEY

Team Concepts, LLC

Josh Erickson

Recommended by: Thomas J. Henning, Cash-Wa Distributing Co.

KIMBALL

City of Kimball Economic Development

Amy Sapp

LA VISTA

Hobart Sales & Service

Michael A. Pullen

LINCOLN

Graduate Lincoln

Troy Terwilliger

Paragon Sanitation, Inc.

Ryan Hatten

Renewable Fuels Nebraska

Troy Bredenkamp

MINNEAPOLIS, MN

Public Affairs Company

Nate Prouty

NEBRASKA CITY

Arbor Bank

Charles Wiest

OMAHA

Cockle Printing Company

Andy Cockle

Robert B. Daugherty Foundation

John Wilson

JEO Consulting Group, Inc.

Jeff Ray

Lamp, Rynearson & Associates, Inc.

Brett Wawers

WAYNE

Sand Creek Post & Beam Inc.

Stephen LeGrand

Recommended by: Dirk Petersen, Flood Communications LLC and Wayne Area Chamber of Commerce

WEST POINT

Beed Transportation, Inc.

Vaughn Beed

Recommended by: West Point Chamber of Commerce