

THE STATE CHAMBER 

Nebraska Chamber of Commerce & Industry

Results For Business

2014 Nebraska Legislature



What passed. What didn't.
And what it means to your bottom line.

— 2014 LEGISLATURE —

When the Nebraska Legislature is in session, the actions of lawmakers can profoundly impact the business community and its ability to grow. That is why the Nebraska Chamber of Commerce & Industry works hard to represent the interests of your business.

The State Chamber is considered one of the most effective and influential lobbying organizations in Nebraska. Located just a half-block from the State Capitol, the Nebraska Chamber's staff stays in close contact with state lawmakers, as well as the governor and his administration. This ensures that businesses of every type and size have a powerful, respected voice in the legislative process.

Here is a look at what passed this year, what did not, and what it means to your bottom line.



During this year's session, the State Chamber SUPPORTED pro-business, growth-oriented legislation.



The State Chamber OPPOSED legislation that threatened the success of Nebraska businesses and the economy.

— TAXATION —

<p>Income Tax Relief LB987</p>		<p>Comprehensive tax legislation that accomplishes two priorities of the Nebraska Chamber: indexing income tax brackets for inflation and allowing military veterans to keep more of their retirement benefits. The bill also exempts more Social Security income from taxation. The indexing provision alone is expected to save Nebraskans around \$100 million over ten years, while the overall bill will reduce the tax burden by nearly \$200 million over five years. State Chamber Supported.</p>	<p>PASSED</p>
<p>Nebraska Advantage Clarification & Postage Tax Repeal LB867</p>		<p>Comprehensive tax legislation that, among other things, clarifies the authority of city governments to examine both sales and use tax information and remittances by non-retail businesses within the city limits. Confidentiality provisions that were previously in statute remain in the new law. This is part of a compromise on an issue affecting the Nebraska Advantage program. LB867 also exempts separately stated postage charges from sales and use taxes on all direct mail. State Chamber Supported.</p>	<p>PASSED</p>
<p>Ag Parts/ Repairs LB96</p>		<p>Exempts repairs and replacement parts for agricultural machinery from state sales tax. Prior to the bill's approval, Nebraska was one of only eight states that still charged sales tax on these purchases. LB96 provides nearly \$50 million of tax relief for ag producers over five years. State Chamber Supported.</p>	<p>PASSED</p>
<p>Income Tax Hike LB1056</p>		<p>Would have raised income taxes in Nebraska by adding a fifth bracket to the state's income tax structure, imposing a rate of 7.84%. According to data compiled by the Tax Foundation, Nebraska would have dropped from the 21st worst state for individual income taxes to the 11th worst under LB1056. State Chamber Opposed.</p>	<p>KILLED</p>

— ECONOMIC DEVELOPMENT —

<p>Military Site Redevelopment LB1012</p>		<p>Changes provisions relating to blighted areas as they impact former defense installations under the Community Development Law. Under the new law, a redevelopment project involving a former defense site will not count towards the percentage limitations for communities. State Chamber Supported.</p>	<p>PASSED</p>
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— ECONOMIC DEVELOPMENT —

<p>Nebraska Advantage LB1067</p>		<p>Changes provisions relating to blighted areas as they impact former defense installations under the Community Development Law. Under the bill, a redevelopment project involving a former defense site will not count towards the percentage limitations in current law. State Chamber Supported.</p>	<p>PASSED</p>
<p>Business Innovation LB1114</p>		<p>Extends the state’s main economic development tool – the Nebraska Advantage Act – for another two years, providing more certainty for businesses utilizing job-creation and investment incentives. Included in the package are extensions of the angel investment credit, the microenterprise credit, and the R&D Act. State Chamber Supported.</p>	<p>PASSED</p>

— LABOR LAW —

<p>Minimum Wage Hike LB943</p>		<p>Would have increased Nebraska’s minimum wage to \$9. The State Chamber opposes any expansion of the state minimum wage that exceeds federal law, instead supporting more targeted efforts to increase take-home pay – including income tax relief and expanding the earned income credit. Nebraska’s minimum wage was last increased less than five years ago, in 2009, in concert with the federal minimum wage boost. According to labor statistics, around 3% of Nebraskans in the workforce receive the minimum wage, with the majority of minimum-wage earners being trainees and/or under the age of 25. More than two-thirds of workers starting at the minimum wage earn more one year later. State Chamber Opposed.</p>	<p>KILLED</p>
<p>Required Reports on Salaries LB1085</p>		<p>Would have required private employers in Nebraska to provide a list of employee salaries and job titles. The bill would have mandated that Nebraska employers annually file reports with the Equal Opportunity Commission and disclose individual salaries, including job title, gender, age and years of service. The salary report would have been required to be made available to all employees of the business, potentially harming business confidentiality. State Chamber Opposed.</p>	<p>KILLED</p>
<p>Required Paid Sick Leave LB1090</p>		<p>Would have required employers to provide paid sick leave to all full-time employees. The State Chamber opposes state employment law mandates that exceed federal labor law. Connecticut is presently the only state to require paid sick leave for private sector employers, according to the National Conference of State Legislatures. State Chamber Opposed.</p>	<p>KILLED</p>

— WORKFORCE DEVELOPMENT —

<p>In-State Tuition for Vets LB740</p>		<p>Allows recently separated military veterans and their direct family members to be eligible for in-state tuition at Nebraska’s state colleges and the University of Nebraska. This bill is part of a package of legislation supported by the State Chamber to help recruit and retain veterans to enhance Nebraska’s workforce. State Chamber Supported.</p>	<p>PASSED</p>
<p>Job Training LB905</p>		<p>A provision of the mainline budget adjustment bill provides \$10 million of job training funds. Through the Skill Training Employment Program, this funding helps Nebraska attract and retain jobs, while developing the skills of Nebraska employees. State Chamber Supported.</p>	<p>PASSED</p>

— ENERGY/NATURAL RESOURCES —

<p>Affordable Electricity LR482</p>		<p>Urges the U.S. Environmental Protection Agency (EPA) to allow states to develop standards and issue guidelines for carbon dioxide emissions by taking into consideration each state's unique policies, energy needs and resources, and economic priorities. Nebraska relies on coal-fired generation for approximately two-thirds of the state's affordable & reliable electricity, and thousands of Nebraskans have jobs tied to coal-fired energy generation. State Chamber Supported.</p>	<p>ADOPTED</p>
<p>Game & Parks Funding LB814</p>		<p>Provides more reliable funding for the upkeep of Nebraska's state parks and recreation areas, to accelerate work on the \$43 million backlog of Nebraska Game and Parks' projects. As amended, LB814 dedicates revenue from the sales of motor boats, personal watercraft, ATVs and utility vehicles to create a Game and Parks Commission Capital Maintenance Fund. The measure will expire after five years as part of a compromise. State Chamber Supported</p>	<p>PASSED</p>

— EDUCATION —

<p>Education Planning LB103</p>		<p>Authorizes members of the Legislature's Education Committee to conduct a strategic planning process to create a statewide education plan. Members of the committee may conduct meetings, working sessions and focus groups to discuss aspirational goals, visionary objectives, meaningful priorities and practical strategies. A report must be submitted to the full Legislature no later than December 31, 2014. State Chamber Supported.</p>	<p>PASSED</p>
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(From top left) Syracuse Senator Dan Watermeier speaks to participants at the Chamber's "Small Business Day at the Capitol" event. State Chamber President Barry Kennedy discusses legislation with Lincoln Senator Kathy Campbell. Governor Dave Heineman signs tax relief legislation with several state senators at his side.

(From lower left) Bellevue Senator Tommy Garrett speaks with State Chamber staff about his work on extending Nebraska's pro-business incentives. Omaha Senator Burke Harr discusses his tax relief plan. Kearney Senator Galen Hadley reviews bills before the Legislature's Revenue Committee at the State Chamber Public Affairs council meeting.



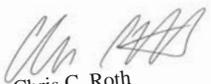
Dear State Chamber Member:

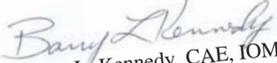
The second session of the 103rd Legislature adjourned sine die on April 17, 2014. More than 460 bills and constitutional amendments were introduced this session, along with 230 resolutions. Many of last year's 655 bills were also considered in 2014 as carry-over legislation. In total, your Nebraska Chamber had positions on and/or monitored more than 400 measures due to their potential effect on business interests. State Chamber staff worked diligently to help ensure passage of bills that would be beneficial for job creation and economic development – and we worked just as hard to defeat or amend harmful legislative proposals.

While there were hopes earlier this year for reductions to Nebraska's personal and corporate income tax rates, lawmakers this year chose to protect the state's cash reserve – which is expected to grow to nearly \$700 million by 2015. Nonetheless, the 60-day session brought numerous notable achievements. These include:

- LB987 – Accomplishes two longtime priorities of the Nebraska Chamber: indexing income tax brackets for inflation and allowing military veterans to keep more of their retirement benefits. The bill also exempts more Social Security income from taxation. The indexing provision alone is expected to save Nebraskans around \$100 million over ten years, while the overall bill will reduce the tax burden by around \$195 million over five years.
- LB1067 – Extends the state's main economic development tool – the Nebraska Advantage Act – for another two years, providing more certainty for businesses utilizing job-creation and investment incentives. Included in the package were extensions of the angel investment credit, the microenterprise credit, and the R&D Act.
- LB96 – Makes agriculture implement businesses in Nebraska more competitive by exempting repairs and parts from the state sales tax. LB96 is expected to provide \$47 million of tax relief over five years.
- LB1114 – Provides a seven-year extension of the Business Innovation Act, which support's Nebraska technology transfer and support for entrepreneurs wanting to move their product to market.
- LB740 – Allows recently separated military veterans and their direct family members to be eligible for in-state tuition at Nebraska's state colleges and university. This bill is part of a package of legislation supported by the State Chamber to help recruit and retain veterans to enhance Nebraska's workforce.

Thanks to all of you who were involved and took time to contact your state senators during the session. We look forward to your continued support and involvement.


Chris C. Roth
Chairman of the Board


Barry L. Kennedy, CAE, IOM
President



The State Chamber's Ron Sedlacek (left) and Barry Kennedy brief local chambers of commerce on current legislation during the Nebraska Chamber's legislative conference call. Behind them is 2014 State Chamber Chairman Chris Roth, president/CEO of Reinke Manufacturing in Deshler.



Clockwise from upper right: Omaha Senator Heath Mello discusses the Appropriations Committee's priorities. Cedar Rapids Senator Kate Sullivan reviews the bills before the Education Committee. Nebraska Chamber staff meets with Columbus Senator Paul Schumacher. Omaha Senator Jim Smith discusses one of the Chamber's priority bills for the session.



The Membership & Mission Of The State Chamber

For more than a century, the State Chamber has proudly served as the voice of Nebraska's business community. Today, it is the state's only broad-based business association, representing a grassroots membership of approximately 1,600 businesses.

The State Chamber works hard to promote the interests of employers of all sizes, as well as self-employed individuals, other Nebraska associations and local chambers of commerce. What links our members is the shared goal to improve Nebraska's business climate.

The State Chamber staff works effectively with members of the Legislature and other government officials, with three full-time lobbyists leading our legislative efforts. Throughout every legislative session, the State Chamber keeps its members well informed on day-to-day action through the *Legislative Report* and electronic communications such as the *News Update*.

State Chamber members know when lawmakers are considering legislation that could impact their interests. Action alerts notify members when they should contact senators regarding upcoming votes. After the session, State Chamber members receive complete summaries of the year's legislative activities, as well as a scorecard on key votes.

The State Chamber also monitors legislative activities in Washington, D.C. The association stays in close contact with Nebraska's congressional delegation, as well as its national affiliates – the U.S. Chamber of Commerce and the National Association of Manufacturers.

Beyond legislative services, the State Chamber provides many programs, publications and other tools for our members, including educational workshops, member directories, labor law publications, and unemployment services.

With a record of major legislative accomplishments and solid service, Nebraska's business community can count on the State Chamber to stand strong for its interests.



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