

THE STATE CHAMBER 

Nebraska Chamber of Commerce & Industry

Results For Business

2015 Nebraska Legislature



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

— 2015 LEGISLATURE —

When the Nebraska Legislature is in session, the actions of lawmakers can profoundly impact the business community and its ability to grow – for better or worse. That is why the Nebraska Chamber of Commerce and Industry works hard to represent the interests of your business. 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 – regardless of size or sector – have a powerful, respected voice in the legislative process.

In the 2015 legislative session, the State Chamber worked diligently to ensure the passage of bills that will make Nebraska a better state in which to do business. Just as important, the Nebraska Chamber worked equally as hard to defeat or amend harmful legislative proposals. 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 —

Business Tax Relief LB259		As amended, LB259 exempts the first \$10,000 of value for depreciable tangible personal property assessed for taxation. While this is less than the \$25,000 threshold proposed in the original version of the bill, LB259 still provides about \$20 million annually in personal property tax relief for businesses and ag producers. State Chamber Supported. (Introduced by Sen. Mike Gloor)	PASSED
Income Tax Increase LB523		Would raise Nebraska’s individual income tax, as well as the state’s corporate tax. The Tax Foundation says Nebraska’s maximum personal income tax rate (6.84%) is already the 15th highest among states levying an income tax, while Nebraska’s top corporate tax rate (7.81%) is the 19th highest. State Chamber Opposed. (Introduced by Sen. Kate Sullivan)	HELD OVER
Sales Tax Hike LB256		Would increase the state sales tax rate from 5.5% to 6.0%. State Chamber Opposed. (Introduced by Sen. Dave Bloomfield)	HELD OVER
Local Income Tax LB280		Would establish a local income tax in Nebraska, adding a minimum of 19.4% and a maximum of nearly 30% to an individual’s state income tax liability. State Chamber Opposed. (Introduced by Sen. Al Davis)	HELD OVER
Tax on Loans LB73		Would impose a 5.5% tax on the interest paid on loans. State Chamber Opposed. (Introduced by Sen. Paul Schumacher)	HELD OVER
Tax on Stock, Bonds LB574		Would have imposed a 1.5% tax on all personal intangible property such as stocks and bonds and other assets such as patents and trademarks. State Chamber Opposed. (Introduced by Sen. Al Davis)	KILLED

— WORKFORCE DEVELOPMENT —

High-Demand Careers LB519		Includes a key provision to address Nebraska’s skilled workforce shortage, dedicating a portion of the state lottery fund to a new community college program to assist eligible students pursuing certification or licensure in high-demand career fields. State Chamber Supported. (Introduced by Sen. Kate Sullivan)	PASSED
Hiring Veterans LB272		Allows private employers to adopt a hiring preference for veterans (and spouses of 100% disabled veterans or veterans killed in action). This protects employers from frivolous lawsuits and claims of hiring discrimination. State Chamber Supported. (Introduced by Sen. Sue Crawford)	PASSED

— ECONOMIC DEVELOPMENT —

<p>Angel Investments LB156</p>		<p>Expands the amount of credits under Nebraska’s Angel Investment Tax Credit Act from \$3 million to \$4 million annually. Enacted in 2011, the angel investment program provides a refundable income tax credit to individuals and funds that invest in Nebraska-based, high-tech startups. State Chamber Supported. (Introduced by Sen. John Stinner)</p>	<p>PASSED</p>
<p>Small Business Capital LB226</p>		<p>Authorizes “crowdfunding” – the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet. Under LB226, small businesses can raise up to \$2 million a year from investors. Recent studies have found that access to startup capital is a weakness for Nebraska’s business community. State Chamber Supported. (Introduced by Sen. Colby Coash)</p>	<p>PASSED</p>
<p>Agri-Tourism Promotion LB329</p>		<p>Promotes tourism and rural economic development by limiting a landowner’s legal liability when allowing public access for agricultural, historical, cultural, and other agri-tourism activities for a fee. Visitors must be warned of potential dangers by a posted sign or in a contract. State Chamber Supported. (Introduced by Sen. Ken Schilz)</p>	<p>PASSED</p>
<p>New Market Credits Act LB559</p>		<p>Makes technical changes to the New Markets Job Growth Investment Act to encourage more private investment in businesses and real estate projects located in low-income rural and urban areas. Due to an interpretation by the Department of Revenue, the program had been more restrictive than intended. State Chamber Supported. (Introduced by Sen. Paul Schumacher)</p>	<p>PASSED</p>
<p>TIF Oversight LB596, LB238, LB445</p>		<p>Would make harmful changes to Nebraska’s tax increment financing (TIF) laws, which represent an important tool for local governments to attract private dollars for redevelopment projects. Under state law, TIF projects may be commercial, residential, industrial, or mixed use. All three bills would significantly expand state interference with TIF projects. State Chamber Opposed. (Introduced by Senators Mike Groene and Al Davis)</p>	<p>HELD OVER</p>

— LABOR LAW —

<p>Workers’ Compensation LB480</p>		<p>Makes the first comprehensive revision to Nebraska’s Workers’ Compensation Act since 1995. The bill includes non-controversial, employer-friendly revisions, including the denial of Workers’ Compensation benefits if an employee knowingly and willfully makes false statements when applying for a position. State Chamber Supported. (Introduced by Sen. Burke Harr)</p>	<p>PASSED</p>
<p>Minimum Wage Hike LB494</p>		<p>Would raise Nebraska’s minimum wage for tipped workers. Federal law already requires businesses to make up any difference between tipped wages and the minimum wage. State Chamber Opposed. (Introduced by Sen. Jeremy Nordquist)</p>	<p>HELD OVER</p>
<p>Mandatory Paid Sick Leave LB493</p>		<p>Would mandate that employers provide paid sick leave and family leave. Among the circumstances that would require paid leave would be an employee’s mental illness, as well as absences necessary due to domestic assault or stalking. State Chamber Opposed. (Introduced by Sen. Jeremy Nordquist)</p>	<p>HELD OVER</p>
<p>Wage Disclosure LB83</p>		<p>Would prohibit employers from using agreements barring the disclosure of wages. The bill would open the door to more litigation against businesses and create potential inconsistencies between state law, federal law and rulings by the National Labor Relations Board. State Chamber Opposed. (Introduced by Sen. Tanya Cook)</p>	<p>HELD OVER</p>

— OTHER ISSUES —

Measure	Issue	Summary	Status
LB264	Health Care Credentials for Military Veterans	Ensures that the skills and experience acquired through military service are recognized for the 34 health professions overseen by the state's Uniform Credentialing Act. This alleviates the need for HHS to make credentialing decisions on a case-by-case basis. <u>State Chamber supported.</u>	PASSED
LB279	Business Entity Reinstatement	Extends the five year limit in which domestic LLCs, business corporations, non-profit corporations, and limited cooperative associations may apply for reinstatement with the Secretary of State. <u>State Chamber supported.</u>	PASSED
LB414	Fraternal Benefit Organizations	Provides property tax relief to fraternal benefit societies. Prior to LB414, there was no consistency in the methods used by counties to tax such entities. <u>State Chamber supported.</u>	PASSED
LB419	Sales Tax Exemption for Zoos	Exempts sales tax on memberships and admissions to Nebraska's nationally accredited zoos and aquariums. Zoos are a major driver of tourism, which is Nebraska's third largest industry. <u>State Chamber supported.</u>	PASSED
LB538	Evaluation of Business Incentive Programs	Requires additional evaluation of Nebraska's eight primary job-creation and business investment tax incentive programs, while also extending sunset dates. <u>State Chamber supported after concerns with original bill were addressed.</u>	PASSED
LB547	Enhancing Early Childhood Education	Enhances standards for early childhood education by allowing public school districts to partner with private child care programs. <u>State Chamber supported.</u>	PASSED
LB623	Drivers Licenses for DACA Individuals	Allows the issuance of temporary driver's licenses to individuals residing in the state under the federal Deferred Action for Childhood Arrivals (DACA) program. Nebraska had been the only state that denied driver's licenses to DACA-eligible residents. <u>State Chamber supported due to economic, workforce and public safety concerns.</u>	PASSED



(From top left) 2015 Nebraska Chamber Chair Kim Russel introduces Speaker of the Legislature Galen Hadley to the Chamber's Board of Directors. Gering Senator John Stinner discusses legislation with Nebraska Chamber Vice President-General Counsel Ron Sedlacek and Chamber President Barry Kennedy. Gothenburg Senator Matt Williams hears about the Nebraska Chamber's priorities and concerns.

(From lower left) Senators Ken Schilz of Ogallala, Jim Smith of Papillion, and Mike Gloor of Grand Island spoke about the bills before their committees at the Nebraska Chamber Annual Meeting in Lincoln. Senators Heath Mello and Burke Harr of Omaha discussed their priorities as part of the Nebraska Chamber's annual "Legislative Leaders" panel held in February.



Dear State Chamber Member:

The first session of the 104th Nebraska Legislature adjourned sine die on May 29. More than 660 bills and constitutional amendments were introduced this session. In total, your Nebraska Chamber had positions on and/or monitored more than 250 measures due to their potential impact on employers and the state's business community. The Nebraska Chamber made it a priority to keep in touch with our members to let them know how proposed legislation could affect them.

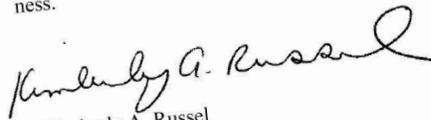
While much of the media coverage of the Legislature focused on divisive social issues, the 90-day session brought numerous and notable achievements for the business community, including State Chamber-supported bills such as:

- LB480: Revises the Workers' Compensation law in an employer-friendly manner.
- LB259: Allows businesses to exempt a portion of their personal property tax liability.
- LB519: Aims to boost the availability of skilled workers for high-demand occupations and career fields.
- LB272: Allows private employers to voluntarily adopt a hiring preference program for military veterans.
- LB329: Enhances rural economic development by providing limited liability for landowners in agri-tourism.
- LB156: Expands the amount of credits under the Angel Investment Tax Credit Act.
- LB226: Authorizes crowdfunding to ensure more venture capital for startups.
- LB559: Revises the New Markets Job Growth Investment Act to encourage investment in rural and urban areas.

The Nebraska Chamber worked equally as hard to defeat or amend harmful legislative proposals. In 2015, there were a number of harmful bills in the Legislature. Fortunately, none passed. Among this year's more menacing bills were:

- LB256: Would increase the state sales tax rate.
- LB523: Would raise income tax rates for individuals and corporations.
- LB238: Would impose severe limits on the local use of Tax Increment Financing (TIF).
- LB493: Would mandate that employers provide paid sick leave.
- LB280: Would create a local income tax, adding as much as 30% to state income tax liability.

Thanks to all of you who were involved and took time to contact your state senators during the session. And thank you for being a valuable part of the Nebraska Chamber. Together, we are making Nebraska a better place for business.



Kimberly A. Russel
Chair of the Board



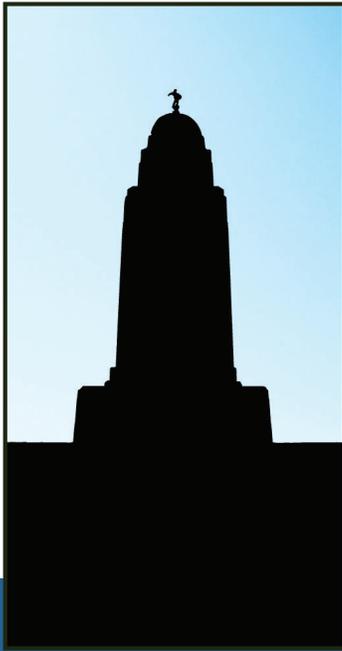
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Governor Pete Ricketts speaks to the Nebraska Chamber's Public Affairs Council, which meets every week during the legislative session to discuss key issues affecting the business community.

Cover photo is courtesy of the Nebraska Unicameral Information Office.



Left: Lincoln Senator Kate Bolz reviewed her workforce development initiatives at a meeting of the Nebraska Chamber's Public Affairs Council.

Right: Senators Laura Ebke of Crete and John McCollister of Omaha, both first year lawmakers in 2015, serve on the Legislature's Business and Labor Committee.



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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