

Results For Business



What passed. What didn't.

A review of noteworthy legislation of 2017.

— 2017 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 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 constantly monitors legislative activity while staying in close contact with senators, 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 2017 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 proposals.

Here is a look at what passed this year, and what did not. (Bills that were not passed or killed in 2017 will carry over into the 2018 session.)



The State Chamber SUPPORTED pro-business, growth-oriented legislation.



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

— ECONOMIC DEVELOPMENT —

Bioscience Startup Support LB641		LB641 by Lincoln Senator Adam Morfeld establishes a matching grant program to attract more early-stage bioscience startups to Nebraska. The bill makes available approximately \$2 million to support new businesses and jobs in fields such as biofuels, biotechnology and pharmaceuticals. LB641 was crafted in response to recommendations made in recent economic development studies. State Chamber SUPPORTED.	PASSED & SIGNED
Nebraska Advantage Enhancement LB161		Introduced by Henderson Senator Curt Friesen, LB161 allows businesses making large capital investments under the Nebraska Advantage Act to carry over unused tax credits for a longer time. The bill affects Tier 6, which is the Nebraska Advantage Act's highest tier to reward significant capital investments and job creation. State Chamber SUPPORTED.	PASSED & SIGNED
Termination of Business Incentives LB126, LB467 & LB572		LB126 by North Platte Senator Mike Groene, LB467 by Omaha Senator Bob Krist, and LB572 by Henderson Senator Curt Friesen would halt important business incentive programs, including the Nebraska Advantage Act. This would harm Nebraska's business competitiveness due to state's high tax climate. State Chamber OPPOSED.	IN COMMITTEE

— LABOR LAW —

Unemployment Reform LB203		Introduced by Senator John Kuehn of Heartwell, LB203 tightens restrictions on Unemployment Insurance (UI) benefits for those who leave a job without good cause. The provisions in this legislation – aimed at curtailing abuse of the system – will save an estimated \$3.7 million in 2018 and nearly \$5 million in 2019. In 2015, Nebraska employers paid more than \$107 million in state UI taxes. The UI program is fully funded by employers. State Chamber SUPPORTED.	PASSED & SIGNED
Workers' Comp Expansion LB181		Introduced by Grand Island Senator Dan Quick, LB181 would expand Nebraska's Workers' Comp program by allowing covered employees who disagree with medical findings of a physician to be reimbursed by an employer or its insurer for a second examination by another physician. This would add a new layer of Workers' Comp expenses for employers. Employers fully fund the Workers' Comp program. In 2015, Nebraska employers paid nearly \$390 million to the state's Workers' Comp fund. State Chamber OPPOSED.	STALLED ON FIRST ROUND
Paid Leave Mandate LB305		Bellevue Senator Sue Crawford's LB305 would create a mandatory, state-based, paid sick-leave program funded by a new tax on employees, which would be collected by employers. The State Chamber opposes any expansion of family and medical leave benefits that would exceed federal requirements. Currently, federal law allows workers to take unpaid leave without risking their jobs. State Chamber OPPOSED.	IN COMMITTEE

— LABOR LAW —

<p>Wage Disclosure Ban LB354</p>		<p>LB354 by Omaha Senator Rick Kolowski would establish the Wage Disclosure Act, making it unlawful for an employer to simply request wage information from job applicants, or seek wage information from a current or former employer unless given permission by the job applicant after being offered employment. An employer violating the Act would be guilty of a Class IV misdemeanor. State Chamber OPPOSED.</p>	<p>IN COMMITTEE</p>
<p>Rest Period Mandate LB473</p>		<p>Fremont Senator Lynne Walz’s LB473 would mandate that businesses provide a 15-minute rest period for employees every four hours, in addition to regular lunch periods. The measure would apply to businesses with six or more people. Employer violations would be a Class III misdemeanor. State Chamber OPPOSED.</p>	<p>IN COMMITTEE</p>

— TAXATION —

<p>Tax on Loans LB52</p>		<p>Introduced by Columbus Senator Paul Schumacher, LB52 would impose a 5.5% tax on the interest paid on loans – including loans for real estate and vehicles. The tax would apply to individuals and business entities, and would cost taxpayers approximately \$740 million in new taxes over two fiscal years, as estimated by the Nebraska Department of Revenue. State Chamber OPPOSED.</p>	<p>IN COMMITTEE</p>
<p>Tax Increase & Repeal of Roads Funding LB373</p>		<p>Introduced by Columbus Senator Paul Schumacher, LB373 would repeal the Build Nebraska Act (LB84) while terminating many pro-business tax provisions, including the indexing of income tax brackets for inflation, as well as sales tax exemptions for manufacturing and ag machinery repair. State Chamber OPPOSED.</p>	<p>IN COMMITTEE</p>
<p>Sales Tax Expansion LB312 & LB563</p>		<p>LB312 by Albion Senator Tom Briese and LB563 by Omaha Senator John McCollister would eliminate several sales tax exemptions affecting business activity, including motor vehicles trade-ins; school lunches; admissions to school events; motor vehicle maintenance and repair services; personal care services; utilities; legal services; accounting services; and real estate services. State Chamber OPPOSED.</p>	<p>IN COMMITTEE</p>
<p>Sales Tax Increase LB313</p>		<p>LB313 by Albion Senator Tom Briese would increase the state sales tax rate by more than 18% by raising the state’s current 5.5% rate to 6.5%. State Chamber OPPOSED.</p>	<p>IN COMMITTEE</p>
<p>Comprehensive Tax Hike LB468</p>		<p>LB468 by Omaha Senator Bob Krist would halt recent improvements made to the state’s tax code, including indexing of income tax brackets and the exemption for tangible personal property taxes. State Chamber OPPOSED.</p>	<p>IN COMMITTEE</p>

— WORKFORCE & HOUSING —

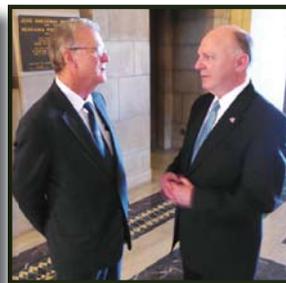
<p>Workforce Housing Grants LB518</p>		<p>Offered by Gothenburg Senator Matt Williams, LB518 establishes a workforce housing grant program for rural communities with housing shortages. It provides \$7.3 million from the Affordable Housing Trust Fund to establish a dollar-for-dollar grant program. The grants will be available to communities in counties of fewer than 100,000 people. State Chamber SUPPORTED.</p>	<p>PASSED & SIGNED</p>
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— REGULATORY REFORM —

<p>Regulatory Reform LB271</p>		<p>Introduced by Lincoln Senator Mike Hilgers, LB271 authorizes Nebraska’s Department of Transportation (NDOT) to assume responsibility for environmental reviews for proposed transportation projects from the U.S. Department of Transportation. By reducing red tape for roads projects, LB271 will save the NDOT an estimated \$19 million annually, while trimming up to a year from project timelines. State Chamber SUPPORTED.</p>	<p>PASSED & SIGNED</p>
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— OTHER LEGISLATION —

Measure	Issue	Summary	Status
LB44	Sales Tax Collection for Online Purchases	Would require online retailers without a physical presence in Nebraska to collect and remit sales tax revenue if their gross revenue from state sales exceeded \$100,000 or they made 200 or more separate sales transactions in Nebraska. The bill would ensure a more level playing field within the retail sector by formalizing the collection of taxes already owed by state law. State Chamber SUPPORTS.	Select File
LB174	Apprenticeship Training Support	Would provide a nonrefundable income tax credit to employers for wages paid to apprentices as part of a qualified apprenticeship training program. State Chamber SUPPORTS.	In Revenue Committee
LB248	Workforce Skills Training	Would adopt the Youth Opportunities in Learning and Occupations Act to increase workplace skills among young Nebraskans ages 16-24. The bill would provide matching funds for employers and non-profit corporations to fulfill the program's objectives – including preparing young people to enter the workforce and providing career counseling. State Chamber SUPPORTS.	General File
LB337	Income Tax Relief	LB337 is the governor's original plan to gradually lower Nebraska's top personal income tax rate of 6.84% – currently the nation's 15th highest. Under the bill, Nebraska's top income tax rate would start to decline in 2020 until it hit 5.99%, as long as state revenue grew by at least 3.5%. Currently, more than 90% of Nebraska businesses pay income taxes at individual rates. State Chamber SUPPORTS.	In Revenue Committee
LB461	Comprehensive Tax Relief	LB461 represents the first real opportunity to lower Nebraska's top income tax rates in two decades, and was the only bill offered in the 2017 session to provide both property and income tax relief. Crafted under the leadership of Revenue Committee Chairman Jim Smith, who worked with the governor, the bill would gradually lower Nebraska's top personal income tax rate from 6.84% to 5.99%; incrementally reduce the state's top corporate income tax from 7.81% to 5.99%; and change how ag property is valued for tax purposes. State Chamber SUPPORTS.	General File
LB496	TIF for Workforce Housing	Would help address Nebraska's housing shortage by allowing workforce housing projects to be eligible for tax increment financing (TIF). State Chamber SUPPORTS.	Select File
LB557	Modernization of Business Incentives	LB557 would update the state's primary economic development package – the Nebraska Advantage Act – which was passed a dozen years ago. Since its implementation, the program has attracted applications representing private sector commitments of approximately \$15 billion in investments and 37,000 new, full-time jobs. LB557 was crafted with considerable input from Nebraska Chamber staff. State Chamber SUPPORTS.	In Revenue Committee



Clockwise: 1.) Omaha Senator Justin Wayne addresses the Nebraska Chamber's Public Affairs Council. 2.) Former State Chamber Chair and Reinke Mfg. President & CEO Chris Roth and the Chamber's Barry Kennedy visit with Crete Senator Laura Ebke. 3.) Barry Kennedy visits with Papillion Senator Jim Smith, chairman of the Revenue Committee. 4.) Henderson Senator Curt Friesen talks with Aurora's Gary Warren and Barry Kennedy. 5.) Chamber Chairman Dirk Petersen moderates a panel of the Legislature's leaders. 6.) Speaker of the Nebraska Legislature Jim Scheer speaks to the Chamber's board of directors during the 2017 annual meeting.



Dear State Chamber Member:

The first session of the 105th Nebraska Legislature adjourned sine die on May 23, 2017.

This year, more than 670 bills and constitutional amendments were introduced. In total, your Nebraska Chamber had positions on and/or monitored more than 250 measures due to their potential impact on the business community. In addition, the Chamber made it a priority to keep in touch with our members to let them know how proposed legislation could affect them.

Despite the downturn in state revenue and the challenges facing lawmakers in crafting a new budget, the 2017 session brought some notable achievements, including State Chamber-supported bills such as:

- LB161: Extends the Nebraska Advantage Act credit carryover time for businesses making significant capital investments and creating many high-paying jobs.
- LB203: Lessens abuse of the Unemployment Insurance program by tightening benefit restrictions for those who leave a job without good cause, saving an estimated \$3.7 million in 2018 and nearly \$5 million in 2019.
- LB271: Reduces red tape for state transportation infrastructure projects, thereby expediting timelines and saving as much as \$19 million annually.
- LB518: Establishes new funding sources to help address Nebraska's workforce housing shortages.
- LB641: Establishes a matching grant program to attract more early-stage bioscience startups to Nebraska.

The Nebraska Chamber worked equally as hard to defeat or amend harmful proposals. In 2017, there were a number of such bills in the Legislature. Fortunately, none passed. Among this year's more menacing bills were:

- LB52: Would impose a 5.5% state tax on loan interest, costing individuals and businesses several hundred million dollars annually and crippling the state's economy.
- LB126, LB467 & LB572: Would halt important business incentives, including the Nebraska Advantage Act.
- LB312 & LB563: Would eliminate several sales tax exemptions that are important to business activity.
- LB313: Would increase the state sales tax rate by 18%, raising the current 5.5% rate to 6.5%.
- LB373: Would repeal the Build Nebraska Act (LB84), while terminating many pro-business tax reforms.
- LB468: Would amend and/or eliminate recent improvements made to the state's tax code, including the indexing of income tax brackets for inflation.

Thanks to all of you who were involved and took time to contact your state senators during the 2017 session. And thank you for being a valuable part of the State Chamber. Together, we are making Nebraska better for business.



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State Chamber President Barry Kennedy speaks at a news conference in support of tax relief for Nebraska businesses and families.



Top left: Papillion Senator Jim Smith discusses tax relief options with the State Chamber's Public Affairs Council.

Right: Lincoln Senator Mike Hilgers spoke at a Chamber event during the 2017 session, discussing ways to reduce regulatory burdens on businesses.



Bottom left: The Chamber's Barry Kennedy speaks to an engaged audience of chamber members in Nebraska City.



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 2,000 businesses with nearly 275,000 Nebraska employees.

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 four 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 its *Legislative Report* and electronic communications such as the *News Update*. 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 federal 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.

Nebraska's business community can count on the State Chamber to stand strong for its interests.



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