

# THE EXECUTIVE

## THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

May/June 2014

## State Chamber Visits Ft. Riley, Promotes Nebraska Job Opportunities

In late April, a large group of Nebraskans traveled to Ft. Riley, Kansas, to be part of that installation's jobs fair for separating and retiring military veterans. The visit was part of the State Chamber's new workforce development campaign, "The Good Life for Veterans." The initiative even includes a website – [www.TheGoodLifeForVeterans.com](http://www.TheGoodLifeForVeterans.com) – which features links to jobs currently available in Nebraska.

In addition to Nebraska Chamber staff, the Ft. Riley jobs fair drew representatives from Nebraska companies such as Chief Industries, Werner Enterprises, Union Pacific and Lincoln Electric System. Also representing Nebraska were staff from the Nebraska Department of Labor, South Sioux City, the AIM Institute, Nebraska's community colleges, and the Nebraska VFW.

Earlier this year, Nebraska Chamber staff visited a jobs fair at Ft. Sill, Oklahoma. On May 22, the State Chamber will be part of a jobs fair at

Ft. Carson, Colorado.

If you are an employer, there are numerous opportunities for your business or organization to advertise job openings and recruit military veterans:

- To advertise job openings at Fort Sill, call (580) 442-2222 or e-mail [acap.sill@serco-na.com](mailto:acap.sill@serco-na.com).
- To post job openings at Ft. Riley, call (785) 239-8368 or e-mail [christine.l.volker.ctr@mail.mil](mailto:christine.l.volker.ctr@mail.mil).
- To attend the Black Hills Veterans' Job Fair on June 18 in Rapid City, South Dakota, e-mail [kara.palmer@state.sd.us](mailto:kara.palmer@state.sd.us), or call (605) 394-4066.

As part of its military recruitment strategy, the Nebraska Chamber also supported state legislation this year aimed at attracting and retaining veterans. A new Nebraska law (**LB987**) exempts from state income taxes a portion of military retirement benefits for recently retired veterans.

Another new law (**LB740**) allows veterans who have separated from the military within the past two years to be eligible for in-state tuition at Nebraska's state colleges and NU. This benefit extends to immediate family members, including spouses and children. ■



Pictured are Kelly Flynn, Economic Development Director for South Sioux City, and the Nebraska Chamber's Jamie Karl speaking with job-seeking soldiers at the Fort Riley jobs fair on April 23.



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**State Chamber Views...**  
*Editorial by Barry L. Kennedy, CAE, IOM  
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## 'Nebraska Must Address Its Tax Burden'

**F**irst, the good news: Nebraska is headed in the right direction.

Over the past half-dozen years, our state's economy has grown while other states have endured stagnant or contracting economic conditions. Nebraska policymakers have successfully navigated economic uncertainty by prudently managing the state's finances and spending.

As a result, the Cornhusker State is now recognized nationally – and even globally – for its pro-business climate, quality of life, cost of living, solvent state government, good schools, and hard-working citizens.

Now the bad news: Nebraska's unfavorable reputation as a high tax state lingers. This must change – and quickly.

According to a recent report by personal financial website WalletHub.com, only California and New York residents pay more in state and local taxes than those of us residing in Nebraska. Ranked as the third-worst state in which to be a taxpayer, Nebraska has an average state and local tax burden of \$9,450 per taxpayer, which is 36% higher than the national average.

The study considered eight categories of taxation, ranging from income tax to sales tax to taxes on food and alcohol. Nebraska had the fourth-highest telecom taxes, the sixth-highest property taxes, the 13th-highest state income taxes and the 24th-highest gasoline taxes.

Just behind Nebraska for highest tax burden were Connecticut and Illinois. Meanwhile, neighboring Wyoming had the lowest tax burden on taxpayers, with the average annual state and local taxes there totaling \$2,365, or 66% below the national average. South Dakota was fifth lowest; Colorado was tenth lowest.

Put simply, our high tax climate is a stumbling block in Nebraska's path to long-term economic growth.

Last year, the Nebraska Legislature's Tax Modernization Committee held hearings around the state to gather input from taxpayers. These hearings drew substantial media coverage and local attention, so when the Legislature convened in January, there were high hopes for some income tax relief. Instead, lawmakers chose to protect the state's cash reserve, which is now expected to grow to a record \$700 million by 2015.

There was some progress made in this year's legislative session. Lawmakers passed and the governor signed **LB987**, which accomplishes two priorities of the Nebraska Chamber: indexing income tax brackets for inflation and allowing military veterans to keep more of their retirement pay. LB987 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 \$195 million over five years.

Also signed into law was **LB96**, which helps farmers and makes agriculture implement businesses in Nebraska more competitive by exempting repairs and parts from the state sales tax. LB96 is expected to provide farmers nearly \$50 million of tax relief over five years.

Unfortunately, Nebraska's individual and corporate tax rates remain among some of the highest in the nation – a very real disadvantage when trying to recruit businesses and attract employees.

That's why the Nebraska Chamber advocated support for a bill (**LB1097**) that would have lowered the state's

top income tax rate on individuals from 6.89% to 5.9% over three years, while reducing the top corporate rate from 7.81% to 5.9%. This proposal would have made Nebraska more competitive in the hunt for new jobs and residents.

Next year, the Legislature will be a much different body than the one we saw in 2014. More than a third of state lawmakers, 17 of them, are currently term-limited, and half of the Unicameral's 49 seats are on this year's ballot. The Nebraska Chamber Political Action Committee is working hard to help pro-business candidates get elected.

Come 2015, whatever this year's election results, the Nebraska Chamber will once again work hard to educate policymakers on the need for tax relief, particularly regarding income taxes on individuals and businesses. The reason is simple – Nebraska cannot afford to undermine its pro-business climate and recent economic growth with inaction on income tax relief. ■

## DC Fly-In Is June 10-11

**T**he Nebraska Chamber's annual visit to Washington, D.C., is set for June 10-11. The event is open to all members of the Nebraska Chamber or local chambers, but time is running short to register.

This year's D.C. Fly-In will include a tour of the Pentagon; policy briefings and an election year update from the U.S. Chamber; a reception overlooking the White House and Old Executive Mansion; the traditional Nebraska Breakfast; and the State Chamber's Congressional Luncheon on Capitol Hill.

Registration cost for the event is \$75 per person. Participants must plan and pay for their own travel and lodging. For more information or to register for the D.C. Fly-In, e-mail [jkarl@nechamber.com](mailto:jkarl@nechamber.com) or call (402) 474-4422. ■

## Help Us Grow Your State Chamber

The Nebraska Chamber of Commerce & Industry has successfully represented the state's business community for 102 years. Today, the State Chamber is at its strongest level ever – with record membership and major legislative accomplishments.

Your State Chamber has earned the reputation of being the most effective advocate of the state's business sector. But to expand our influence and compete with opposing interests, we must grow our membership base to make the Chamber's voice even more influential.

Take a moment and let us know of businesses and individuals who would benefit from the services provided by the State Chamber.

Enclosed with this issue of *The Executive* is a form to help us identify new member prospects. By providing us with the names of potential new members, you will help us grow your Nebraska Chamber and ensure the organization's continued success throughout the 21st century. ■

## A Look At The Legislature's Interim Studies

In the 2014 session, Nebraska lawmakers introduced 95 interim studies on key issues. Interim studies are conducted by the legislative committee that has jurisdiction over the subject matter of the investigation. Sometimes, the study resolves the issue that prompted its introduction, or it may lead to the introduction of new legislation the following session.

Several of the studies introduced this session involve issues that could impact Nebraska's business community. Among them are: **LR525**, to examine the skills gap in Nebraska's workforce and to identify options for workforce education; **LR547**, to examine labor shortages in the state and opportunities available to Nebraska's future workforce; and **LR571**, to examine Nebraska's individual and corporate income tax systems.

To see a full list of this year's interim studies, visit <http://nebraskalegislature.gov/session/interim.php>. ■

## Chamber PAC Preparing for November Election

When it comes to the philosophical makeup of the Nebraska Legislature, much is at stake in this year's elections.

This marks the fifth consecutive election cycle in which Nebraska's term limits law will play a significant role, as 17 state senators will be term limited – and another seven are seeking re-election. In total, 24 of the state's 49 legislative seats will be on this year's ballot.

Needless to say, this is another busy year for the State Chamber Political Action Committee (PAC), which serves as a separate and political arm of the Nebraska Chamber. The PAC's mission is simple: To elect business-minded representatives to the Legislature.

The Nebraska Chamber staff has dedicated a considerable amount of time in helping recruit good candidates who understand the challenges

employers face here in the Cornhusker State. State Chamber staff has also met personally with candidates to assess their qualifications and business acumen.

Through the Nebraska Chamber PAC, political investments are consolidated with those of other businesses from across the state, ensuring that individual donations have a more dynamic impact on key legislative races.

"The State Chamber PAC has repeatedly demonstrated its worth," Nebraska Chamber President Barry Kennedy said. "Electing the right people to Nebraska's Legislature is the most effective way to ensure your business interests are respected and recognized."

For more information on how you or your business can contribute to the State Chamber PAC, call (402) 474-4422 or e-mail Cleo Hoback at [choback@nechamber.com](mailto:choback@nechamber.com). ■

## Nebraska Advantage Act Gets Extension

In April, Governor Dave Heineman signed an important bill supported by the Nebraska Chamber and passed by the Legislature. **LB1067**, introduced by Kearney Senator Galen Hadley and prioritized by Bellevue Senator Tommy Garrett, extends the state's key business incentives for two more years, providing more certainty for businesses utilizing job-creation and investment incentives. The bill contains an emergency clause and took effect immediately upon receiving the governor's signature. Specifically, LB1067 extends the sunset dates for tax incentives under the Nebraska Advantage Act, the

Nebraska Advantage Microenterprise Tax Credit Act, and the Nebraska Advantage Research and Development Act. It also extends the sunset on the state's Angel Investment Tax Credit Act – from 2017 to 2019 – while making some administrative changes. ■



Pictured above are Governor Heineman along with Senators Hadley and Garrett, as well as State Chamber President Barry Kennedy and Vice President-General Counsel Ron Sedlacek.

# State Chamber's 2014 HR Library Is Now Available

**K**eeping up with employment regulations is complex work for any sized business. But good human resources guidance can help employers steer clear of costly lawsuits and legal fees.

Fortunately, the 2014 Nebraska Human Resources Library is now available. Best of all, it is offered online.

Since 2008, the Nebraska Chamber HR Library has helped business owners and HR personnel find answers quickly. With the 2014 edition, your HR Library will be live at [www.HRsimple.com](http://www.HRsimple.com). You still get plain English, step-by-step explanations, but now it's accessible wherever you have

Internet access. When a federal or state labor law or regulation changes, the HR Library will be updated – and you'll receive an e-mail notice so you can easily determine what, if any, changes you need to make.

Written by authors you know and trust – the Knudsen Law Firm – the Nebraska Human Resources Library features:

- A hardcopy book and online subscription to the Nebraska Human Resources Manual, your guide to everything related to employment law, from pre-hire to post-termination.
- An online subscription to Model Policies and Forms for Nebraska

Employers, your one-stop resource for compiling an employee handbook, including samples to download and personalize.

- A weekly e-newsletter, HR Update.

HRsimple.com will help you manage your most important resource – your employees. And as a member of the Nebraska Chamber, you will save almost 20%.

Visit <https://hrsimple.com/ne> or call (866) 439-2227 to order this valuable HR resource.

Be sure to use coupon code NEMEMNEWS14 to receive your member discount. ■

## 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.

### ATKINSON

**Atkinson Feed & Supply Inc.**

John Laetsch

### AURORA

**Memorial Community Health, Inc.**

Diane Keller

### BEATRICE

**Roehr's Machinery, Inc.**

Mark Bathel

### BELLEVUE

**Northrop Grumman**

Russ Anarde

### COZAD

**Hunt Cleaners, Inc.**

Mike Neill

### CURTIS

**BSB Construction, Inc.**

Norma Lashley

### FORDYCE

**Fordyce Farmers Non-Stock Coop.**

Dan Reikofski

### GRAND ISLAND

**Tom Dinsdale Automotive Group**

Tom Dinsdale

### Essential Personnel

Travis R. Powell

### KEARNEY

**Marshall Engines, Inc.**

Norris Marshall

### LINCOLN

**Anderson Auto Group**

Nate Fredricks

### Rustad Dermatology PC

Elliott L. Rustad, M.D.

### NEBRASKA CITY

**Integrated Resources, Inc.**

Marvin Schimmel

### NORFOLK

**Bright Strategies**

Jessica Moenning

### NORTH PLATTE

**AJ Sheet Metal, Inc.**

Todd Bissell

### OMAHA

**Core Bank**

John Sorrell

### Deloitte

Rob Mitchell

### Dial Companies/RWK P.C.

Rick Kiolbasa

### Jet Linx Aviation, LLC

Jamie Walker

### United Auto Recyclers

David Hansen

### Zaiss & Company

Judy Anderson

### OVERLAND PARK, KS

**Microsoft**

Tony Wilson

*Recommended by:*

*Natalie Peetz, Peetz & Company*

### PEKIN, IL

**Aventine Renewable Energy, Inc.**

Mark Beemer

### SCOTTSBLUFF

**Aulick Leasing Corporation**

Danny Tompkins

### SYRACUSE

**Syracuse Area Chamber of Commerce**

Carolyn Gigstad

### YORK

**York Equipment, Inc.**

Steve Ermer