

THE EXECUTIVE

THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry
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State Chamber Board Approves Legislative Priorities, Leaders For 2014

As state lawmakers begin the new legislative session, the Nebraska Chamber of Commerce & Industry has announced its major legislative objectives for 2014. The priorities were approved by the State Chamber's board of directors at its Dec. 4 meeting.

In addition, the State Chamber board confirmed the election of the association's leadership for 2014. Chris C. Roth, president and CEO of Reinke Manufacturing Co. in Deshler, will serve as the Nebraska Chamber's new chairperson. Roth will officially begin his duties Jan. 30 at the Chamber's annual meeting in Lincoln. He succeeds Brian C. Hamilton, president of Beardmore Chevrolet in Bellevue, as the State Chamber's top elected officer. Kimberly A. Russel, president and CEO of Bryan Health in Lincoln, is the chair-elect.

Some of the Chamber's top legislative priorities for 2014 include:

- Reducing Nebraska's Individual Income Tax. Nebraska's top individual income tax rate is

currently 6.84% on income above \$27,000. That is the 16th highest state income tax rate in the country and easily the highest among Nebraska's neighboring states – with the exception of Iowa, which indexes for inflation and permits deductions for federal taxes. This negatively affects the state's small and mid-sized businesses, as well as individual taxpayers. The Nebraska Chamber will support legislative initiatives to lower Nebraska's top individual income tax rate, reduce the number of brackets, and index for inflation to improve the state's tax climate.

- Making Nebraska's Corporate Tax More Competitive. Nebraska's maximum corporate tax rate is currently 7.81% for income over \$100,000 – the nation's 19th highest rate. To make Nebraska's tax climate more attractive, the state's corporate tax rates should be competitive with rates paid by business entities operating under other types of tax structures – such as S corporations, general partnerships, LLPs and LLCs. The State Chamber will support legislation to harmonize corporate income tax rates with those paid by single individual taxpayers.
- Opposing Attempts To Raise Sales Taxes. The State Chamber opposes further broadening of the state's sales and use tax base to include more business-to-business



Chris C. Roth, Reinke Manufacturing Co., Deshler; and Kimberly A. Russel, Bryan Health, Lincoln.



services. The Chamber also continues to oppose the repeal of sales tax exemptions needed by businesses and agriculture to remain viable and competitive, including exemptions for inputs.

- Enhancing Work Force Development. The State Chamber supports efforts to expand and improve Nebraska's work force and skilled labor pool, including the use of customized job training opportunities and public/private partnership programs. Special efforts should be made to enhance the technology skills of current residents who must compete in an ever-changing, global business environment. In addition, the State Chamber supports efforts to actively recruit new workers to help meet current demands and attract more business opportunities to Nebraska. ■

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State Chamber Views...
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'The Value Of Your State Chamber Membership'

It has been more than five years since the recession of 2008 and 2009 began. While plenty of hurdles remain for the business community – including some imposed by Washington, D.C. – Nebraska has emerged in good shape, overall.

No doubt about it, Nebraska is on the right track.

Last year, a well-known nationwide study – the Pollina Corporate Survey – ranked Nebraska No. 2 in its list of pro-business states. This ranking follows five years of steady gains for Nebraska in the Pollina poll.

Meanwhile, Nebraska is one of the nation's four best states in which to do business, according to CNBC. This is the first time the Cornhusker State has cracked the top five of the financial network's annual ranking. Moreover, Nebraska's No. 4 ranking is 18 spots better than five years ago.

Nebraska's business climate and competitiveness ranking are improving rapidly. And the State Chamber wants to see these trends continue.

Now is not the time to rest on our current rankings or past accomplishments.

What Is The State Chamber?

The Nebraska Chamber is unapologetic and unabashed about who we are and our mission. For 102 years,

We are here to promote policies to make Nebraska the most business-friendly state in the country.

the Nebraska Chamber has served as the voice of Nebraska's business community. We exist to represent the interests of businesses of all sizes and industries conducting commerce in our state.

We are here to promote policies to make Nebraska the most business-friendly state in the country. We champion laws and regulations that benefit our businesses – and fight those that make it more difficult.

With more than 1,500 members statewide, our organization is focused on ensuring an economically competitive climate that promotes job creation, while growing our system of free enterprise.

We are not a charitable organization – we are a business trade association that provides a valuable service for a fee. Our members hire us to look out for their interests and the state's business interests.

One of our highest priorities is monitoring and lobbying Nebraska's Unicameral on issues that affect business growth and profitability. We know that most employers simply do not have time to stay abreast of all the proposed rules, regulations, laws, procedures and other issues that affect their bottom line.

Whether it is labor law, tax policy, economic development, health insurance mandates or federal trade policy, your State Chamber strives to make your interests known to the elected officials who make decisions impacting your business and community.

Another key to our success is our relationship with local business leaders. Nebraska is fortunate to have a network of strong local chambers of commerce, as each one has a dynamic impact on the community and area it serves. Without our local chambers, it would be difficult to accurately gauge the pulse of our state's business community. That is why we place a heavy emphasis on our relationship with local chamber executives.

The Value Of Membership

It is difficult to put an exact dollar amount on the value of your Nebraska Chamber membership – we won't even attempt a ballpark figure. But our long list of recent legislative accomplishments indicates that State Chamber members definitely get their money's worth.

Consider the following:

- Last year, the Chamber supported bills to repeal the state's alternative minimum tax and extend the carry-forward period for net operating losses (LB308 and LB457). Both the AMT repeal and the carry-forward extension were introduced at the request of the Nebraska Chamber – and both have made Nebraska's tax climate friendlier to businesses and individual residents.
- Also in 2013, the Chamber lobbied to defeat legislation (LB405) that would have imposed \$2.4 billion new sales taxes on the state's employers. The bills would have terminated competitive advantages for key industries such as manufacturing, agriculture, health care, transportation and technology.
- In 2012, the State Chamber helped champion the enactment of tax reform for Nebraska businesses providing services and intangibles outside our state borders (LB872), as well as an improvement of the state's research and development tax credit (LB983). The Chamber also supported the enactment of new legislation (LB959) to protect employers who provide job references.

The State Chamber played an active role in all of these initiatives – and many others. We are proud of these accomplishments. But like most businesses, the State Chamber's work never ends. This year brings a new legislative session, which started on January 8. And once again, we are working diligently to stand up for your interests and keep you informed on the issues impacting your business.

If you are not yet a member of the State Chamber – or you know of a business that should be – call (402) 474-4422 or e-mail jberringer@ne-chamber.com and ask for information on joining our proud membership. ■

Expert: Cut Income Taxes To Grow State Economy

In mid-November, more than 125 Nebraskans attended the State Chamber's "Policy & Issues Summit" held in La Vista.

University of Nebraska-Lincoln economist and professor Dr. John Anderson told the audience of business leaders that cutting income taxes is the best way to achieve long-term economic growth. Dr. Anderson, who has extensively studied state tax policies, was part of a discussion panel on state taxation that also featured Columbus Sen. Paul Schumacher – a key member of the Legislature's Tax Modernization Committee – and former Nebraska Tax Commissioner Doug Ewald.

Dr. Anderson said that income taxes (levied on both individuals and businesses) deprive economies of capital that is necessary for growth, making income tax the most "inferior" among the tax options.

The Nebraska Chamber has recommended several steps to make

the state tax code more competitive, including reducing the top individual income tax rate (from 6.84% to no higher than 5.5%), with a similar reduction in the corporate income tax, which is currently 7.81%. The Chamber has also called for indexing income tax brackets for inflation and cost of living.

During the summit luncheon, Gov. Dave Heineman discussed the need for tax relief, while Dr. Jonathan Haughton of Suffolk University in Boston analyzed the Beacon Hill Institute's latest study on state competitiveness.

Sessions were also held on tax policy reforms in other states, the evolving role of technology, and the impact of the federal health care law on health insurance and medical providers.

See exclusive interviews with the forum's featured speakers by visiting the State Chamber's YouTube channel at www.youtube.com/user/Nebraska-Chamber. ■

Plan To Attend State Chamber's Annual Meeting, January 30

The State Chamber's 2014 Annual Meeting and Legislative Caucus will be Thursday, Jan. 30, 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.

The evening banquet will feature the passing of the gavel to the new State Chamber chairman and a special tribute to the newest inductees of the Nebraska Business Hall of Fame.

For more information or to register, please call (402) 474-4422. Or register online at NEChamber.net. ■

State Chamber Hires New Assistant Office Manager

Alicia Reuland-Focken has joined the staff of the Nebraska Chamber serving as the association's new assistant office manager.

Born in Lincoln, Alicia grew up in Montana and Missouri, only to return to Nebraska for college. She is a graduate of UNL, where she received her bachelor's degree in finance.

Prior to joining the State Chamber, she was employed in the financial and insurance sectors, including Woodmen Accident and Life (now Assurity). She hopes to soon begin working on her master's degree in accounting.

Alicia and her husband, who is in the military, have four children. In her spare time, Alicia plays the piano and violin, sews, and practices taekwondo, in which she holds a second degree black belt. ■



(Top) Gov. Dave Heineman spoke about the need for tax relief at the State Chamber's policy forum held in La Vista on Nov. 18. (Bottom) Also discussing the state's tax climate were (from left) former Nebraska Tax Commissioner Doug Ewald, UNL economist Dr. John Anderson, Columbus Sen. Paul Schumacher and Nebraska Chamber President Barry Kennedy.



Pinkerton To Oversee State Chamber's Leadership Nebraska

The Nebraska Chamber of Commerce & Industry has named Roberta Pinkerton as executive director of the State Chamber's Leadership Nebraska program.

Pinkerton has spent the last 15 years at Omaha Public Power District as economic development coordinator. Prior to her service at OPPD, she

spent nearly a decade at the Nebraska Department of Economic Development, where she focused on business development.

An agriculture economics graduate of the University of Nebraska-Lincoln, Pinkerton is a certified economic developer and a graduate of the Economic Development Institute. She is a former board member of the Mid-America Economic Development Council and a past president of the Nebraska Economic Developers Association. She is also a 2011 graduate of the Leadership Nebraska program



and has served on the Leadership Nebraska Advisory Council.

Established by the Nebraska Chamber in 2006, Leadership Nebraska aims to build a better sense of statewide community by identifying and working with individuals who possess a strong commitment to Nebraska issues and activities. The

program develops a cross-section of leaders who will use their talents and abilities to foster a new spirit of energy, enthusiasm and vitality throughout the state.

Each year, up to thirty Nebraska leaders – of all ages and work backgrounds – are selected to participate in the program. Selected participants are from different regions of the state and possess diverse talents, but all must have one common characteristic: an abiding interest in Nebraska and its future. ■

Nebraska's 2014 Election Calendar

The 2014 elections are quickly approaching. Nebraska's primary election will be May 13, 2014.

In this cycle, 25 of Nebraska's 49 state legislative seats will be up for election (even-numbered districts and District 3). Due to Nebraska's term limits, 17 state senators – more than one-third of the Unicameral – cannot seek election after their 8 years of service.

Some key dates for this year's election include:

- **February 18** – Filing deadline for incumbents (any current office holder).
- **March 3** – Filing deadline for non-incumbents.
- **May 2** – Last day to register in person to vote.
- **May 13** – Nebraska's primary election.
- **November 4** – General election. ■

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.

BROKEN BOW

Vet Care
Larry Coleman, DVM

HASTINGS

Husker Power Products, Inc.
Jon Vandeventer

LA VISTA

Securities America, Inc.
Paul Huerter

LINCOLN

Cameco Resources
Mark McGuire

FuturesOne

David Fiala

Powderhook

Eric Dinger

Schwisow Construction

Randy Harre

Terracon Consultants

Brad Levich

WRK, LLP

Robert Caldwell

OMAHA

Kelly Supply Co.
K.C. Kelly

Resonance Innovations LLC

Randall Jones

Waste Connections of NE, Inc.

Lee Wilson

NORTHBROOK, IL

CVS Caremark

Erik Woehrmann

Recommended by: David Root, Prime Therapeutics and Michelle Mack, Express Scripts, Inc.

SALINA, KS

Metlcast Products
Chris Stokes

SEWARD

Kolterman Agency, Inc.
Mark A. Kolterman

VALLEY

3M Valley
Michael Bahma