

# THE EXECUTIVE

## THE STATE CHAMBER



Nebraska Chamber of Commerce & Industry

May/June 2013

## U.S. Chamber's Top Energy Official Visits Nebraska

In mid-April, Karen Alderman Harbert, president and CEO of the U.S. Chamber's Institute for 21st Century Energy, spoke at a federal policy forum hosted by the Lincoln Chamber and Nebraska Chamber at the Country Club of Lincoln. The event was held in conjunction with the spring meeting of the State Chamber's Executive Council. In her presentation, Harbert said the U.S. energy sector has the potential to create hundreds of thousands of new, well-paying jobs and generate revenue to pay down the federal debt. She discussed the growing demand for energy sources worldwide, the "all of the above" approach endorsed by the U.S. Chamber and the Institute, and how America can become energy independent. Pictured with Harbert are the following State Chamber Executive Council members (from left): **Dirk Petersen** of NUCOR Steel, Norfolk; **Steve Ford** of Pepsi-Cola Bottling Co., Lincoln; **Annette Wiles** of Wiles Agribusiness, Plattsmouth; **Chris Roth** of Reinke Manufacturing, Deshler; 2013 State Chamber Chair **Brian Hamilton** of Beardmore Subaru, Bellevue; and **Tony Raimondo, Jr.** of Behlen Mfg., Columbus. ■



## Chamber Forms Policy On Sales Tax Collection For Online Purchases

Congress is moving on legislation to allow the collection of sales tax on all Internet purchases. If enacted, the "Marketplace Fairness Act" would allow states to collect taxes on online retail purchases from businesses with more than \$1 million in gross receipts.

At its recent spring meeting held in Lincoln, the Nebraska Chamber's Executive Council voted to support a federal legislative solution that will empower states to make their own decisions on Internet sales tax collection as applied to remote sellers.

Under current law, due to a Supreme Court ruling in 1992, vendors are protected from collecting sales and use taxes if they do not have physical presences in the taxing states. Therefore, states can only tax Internet sales made by companies with a physical presence within their borders. However, online consumers still owe — and have always owed — the same amount of tax to the state. In Nebraska, consumers are supposed to declare their sales tax liability when filing their income tax forms.

*Continued on page 3*

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## State Chamber Views...

Editorial by Barry L. Kennedy, CAE, IOM

President

Nebraska Chamber of Commerce & Industry

# 'Nebraska Can't Afford A Time-Out On Job Creation'

The state of Nebraska is on a winning streak – thanks in large part to a solid game plan.

Over the past five years, Nebraska has endured a period of national and global economic instability because our state practiced better risk management than most other states, and certainly better than the strategy employed in Washington, D.C. The risk management utilized by the Nebraska Legislature and our governor has relied on three key factors:

- ★ Maintain a balanced budget.
- ★ Lower Nebraska's overall tax burden.
- ★ Modernize our state's economic incentive programs, which encourage new investments and greater diversification of Nebraska's economy.

In the current session, the Legislature is considering a bill (LB613) that could kick start an overhaul of Nebraska's tax system. The bill would create the Tax Modernization Commission to devise a plan to ensure more tax fairness, competitiveness and simplicity.

The Nebraskans we have heard from overwhelmingly support tax modernization and reform, as do most members of the Legislature. But we must realize it took half a century to get to this point; comprehensive tax reform, done wisely, cannot occur in a 90-day session. Nebraska taxpayers – those citizens who pay for state and local government – deserve an opportunity to weigh in and have their voices heard.

Some have suggested that the Nebraska Legislature put any and all ideas to improve the state's tax code on hold, at least until the Tax Modernization Commission can put forth its report and the Legislature can act a year from now.

The simple reality is this: Nebraska

and its economy can't afford to take a time-out.

During the next 12 months, hundreds of millions of dollars will be invested in the Plains and Midwest. Thousands of jobs will be created. Businesses, families and individuals will be making major decisions regarding their long-term future.

Nebraska is not an island. We must compete with our neighboring states, the states in our region, the states on the coasts and nations around the globe.

Sitting on the sidelines for a year would be unwise and risky, at best. Failing to make common-sense improvements to Nebraska's job-creation incentive programs could result in missed opportunities, lost jobs, fewer investments and a weak economy.

The following bills are currently before the Legislature:

★ **LB308** would reduce Nebraska's tax burden by repealing the Nebraska Alternative Minimum Tax (AMT). Nebraska is one of only nine states with its own AMT, a tax that is threatening many middle class taxpayers. An amendment to LB308 would extend the carry-forward deduction period for a business' net operating losses – from 5 years to 20 years – allowing more flexibility for businesses and making Nebraska's code consistent with federal law. Some experts have suggested enactment of LB308 could significantly improve Nebraska's standing in national competitiveness rankings.

★ **LB104** would provide tax incentives for the production of electricity by renewable sources of generation, including wind, similar to incentives offered by surrounding states. Sources of renewable energy would mean wind, solar, geothermal, hydro and other clean energy generation. This would allow Nebraska

to be more competitive with surrounding states in the wind energy sector.

★ **LB476** would modify the provisions of Nebraska's internship grant program to allow more flexibility for businesses, educational institutions and students, while increasing the maximum reimbursement up to 75% or \$5,000 per internship. This intern program, created in 2011, is one of the keys to addressing Nebraska's workforce challenge and skilled labor shortage. It should be enhanced this year.

★ **LB75** would ensure that income from military retirement is not taxed at the state level. While the amount exempted would be capped, this bill would be a good first step in helping Nebraska retain more military retirees, who provide a huge boost to our workforce. Twenty-six other states currently do not tax retired military pay.

★ **LB17** would help make Nebraska more retiree-friendly by reducing the tax burden on low- and middle-income Social Security beneficiaries. This, too, has become an issue of competitiveness. In Nebraska, Social Security income is taxed to the same extent as on federal returns, while 36 other states impose no tax on Social Security benefits.

★ **LB96** would exempt the sale of repairs and replacement parts for ag machinery or equipment from sales and use taxes. This would put Nebraska implement dealers on a level playing field when competing with those in neighboring states.

These are commonsense bills to improve Nebraska's economy and job market. Moreover, they are affordable and can fit in the upcoming state budget if government spending is kept in check.

If you haven't already done so, please consider contacting your state senator and urge him or her to support these bills.

We must not undermine Nebraska's economic growth with inaction. As they have done in recent years, our state's leaders must continue to look for ways to stoke new economic growth and job creation.

In today's competitive economic environment, every day counts – and every job counts. ■



Members of the Nebraska Chamber's Executive Council gather April 19 at the Lincoln Country Club for their spring meeting.

## Online Sales Tax

*Continued from page 1*

Supporters note that the Market-place Fairness Act would not create a new tax, but instead allow states a different method to collect taxes that are already owed by consumers. States' annual revenue losses from consumers failing to pay taxes on remote purchases are an estimated \$23 billion. Nebraska's share is estimated at \$118 million a year. Meanwhile, smaller and mid-sized businesses say the sales tax would close an unfair loophole that favors online retailers over local brick-and-mortar stores. ■

## Now Available:

# 2013 Online Human Resources Library

**K**eeping up with employment regulations is tough, complicated work for any sized business. Good human resources guidance can help employers steer clear of costly lawsuits and legal fees. Fortunately, the 2013 Nebraska Human Resources Library is now available -- and for the first time, it is all online.

Since 2008, the Nebraska Chamber HR Library has helped business owners and HR staff find answers quickly. With the 2013 edition, your HR Library

will now be live at [www.HRsimple.com](http://www.HRsimple.com). When a law or regulation changes, the HR Library will be updated. You still get plain English explanations of what to do and step-by-step guidance of how to do it. But now it's online and accessible wherever you have Internet access.

You will be able to get information applicable to both Nebraska and federal law, side by side, so there is no flipping or clicking back and forth to look for which law or regulation applies. You get downloadable policies and forms, which

you can change and personalize to meet your needs.

HRsimple.com will help you manage your most important resource -- your employees. As a State Chamber member, you will save almost 20%. To get access to the valuable HR resource, just go to [www.hrsimple.com/ne](http://www.hrsimple.com/ne) or call 1-866-439-2227. Be sure to use coupon code NEMEMNEWS13 to receive your member discount. ■

# State Chamber-PAC Preparing For 2014 Election

**W**hen it comes to the philosophical makeup of the Nebraska Legislature, much will be at stake in the 2014 elections.

Next year will mark the fifth consecutive election cycle in which Nebraska's term limits law will have played a significant role, as 17 state senators will be term limited -- and another seven are expected to seek re-election. In total, there will be 24 legislative races.

Needless to say, 2014 will be another busy year for the State Chamber's Political Action Committee (PAC), which serves as a separate and political arm of the Nebraska Chamber of Commerce & Industry. The PAC's mission is simple: To elect business-minded representatives to the Legislature.

The Nebraska Chamber's PAC is

non-partisan and voluntary -- yet it is a powerful tool that allows State Chamber members from across Nebraska to amplify their message and strengthen their political muscle. Supported by contributions from both businesses and individuals, the State Chamber-PAC is becoming an increasingly important tool in the term-limits era, which is dominated by more partisan politics and anti-business forces.

In the 2012 election cycle, PACs organized by groups typically opposed to State Chamber policies spent more than \$800,000. Almost all of that funding was sent to candidates opposed by the State Chamber and other pro-business groups.

"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."

It would be very difficult for a single business or individual to provide the type of candidate support provided by the State Chamber-PAC. Through the PAC, political investments are consolidated with those of other businesses and individuals from across the state, ensuring that individual donations have a more dynamic impact on key legislative races.

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

# Small Business Day At The Capitol

In mid-April, Governor Dave Heineman and Chairman of the Legislature's Revenue Committee Galen Hadley spoke to more than 50 attendees of the 2013 Small Business Day at the State Capitol. The event was hosted by the State Chamber's Small Business Council, in cooperation with the NFIB/Nebraska, the Lincoln and Omaha Chambers, Nebraskans for Workers' Compensation and Fairness, and the Lincoln Independent Business Association. State Chamber President

Barry Kennedy and NFIB/Nebraska Director Bob Hallstrom provided insider information and briefed attendees on the key legislation.

Pictured are Governor Heineman and Senator Hadley addressing attendees. Governor Heineman spoke about the need for tax reform, while Senator Hadley talked about the importance of Nebraska's job-creation incentives. ■



## 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.

### AUSTIN, TX

NextEra Energy Resources, LLC  
C. Michael Gregg

PaperWorks Industries, Inc.

Teena Kucera

Tilt-up Concrete, Inc.

Steve Miers

Omaha Steel Castings Company

Phil Teggart

*Recommended by: Jason Bromm, Aflac*

### CLAY CENTER

Dahlsten Truck Line, Inc.

George Akerson

*Recommended by: Mike Herre, Fremont Contract Carriers, Inc.*

### HEBRON

MetalQuest Unlimited, Inc.

Scott Volk

### NEW BRIGHTON, MN

Bell Lumber & Pole Company

Tom Bell

Orsi's Bakery

Jim Hall

### IMPERIAL

Allo Communications, LLC

Brad Moline

### NORFOLK

Apache Industries, Inc.

Doug Stevens

TSA Manufacturing

Craig Pohlman

### COLUMBUS

Schaben Industries

Mark Schwarz

### LENEXA, KS

TradeWind Energy, Inc.

Brice Barton

*Recommended by: Natalie Peetz, Peetz & Co.*

### NORTH PLATTE

American Mortgage Company

Dean Niedan

### ST. PAUL, MN

PhRMA

Linda Carroll-Shern

### COLUMBUS, OH

Stonehenge Capital

Company, LLC

Jonathan Crawford

### LEONIA, NJ

Infocrossing, Inc.

Donna Wiseman-Allen

### OMAHA

Honeyman Rent-All

Patricia Honeyman

### WAVERLY

Lenco, Inc. PMC

Clarke McGuire

### HASTINGS

Contryman Associates, P.C.

Jeff S. Anderson

### LINCOLN

Cornerstone Print &

Marketing

Kevin Thomas

Kosiski Auto Parts, Inc.

Joseph L. Kosiski

Phoenix Web Group, Inc.

Neil Johnson