

Dear Chairman Linehan and Members of the Revenue Committee,

On behalf of **(Insert Business Name or Name Here)** I would ask you to support LB347, a bill to clarify how Nebraska treats foreign-source income in terms of tax policy. We urge support of this important legislation that helps preserve Nebraska's ability to compete for investment and job creation.

Nebraska has a longstanding policy of taxing only income earned inside the state. After 30 years, the Nebraska Department of Revenue announced plans to tax 100% of foreign-source income – both in the future and retroactively. No other state is taxing 100% of this income, creating a significant competitive disadvantage for some Nebraska businesses compared to other states.

This occurred because the Tax Cuts and Jobs Act expanded the tax base while lowering the tax rate by 40% at the federal level. Nebraska automatically adopted the broader federal base—taxing foreign income, interest, incentives, FDIC fees, and more—without any reduction in the tax rate.

Competitive and consistent tax policy is one of the factors that has earned Nebraska recognition as the #5 best place to do business (Forbes). Employers strongly consider a state's track record in regulatory certainty when determining whether to stay or locate operations in Nebraska.

Changing the rules in the middle of the game sends the wrong message to current and future Nebraska businesses and could hold the state back in economic growth.

LB347 is not a tax cut, LB347 merely restores the state's commitment to multinational businesses that income earned outside Nebraska will not be taxed. Bottom line, failing to enact LB347 will make Nebraska a less attractive place to invest and grow good paying, career-oriented jobs.

Many of Nebraska's neighbors, including Missouri, Oklahoma, Iowa, Minnesota and Wisconsin have already decided not to tax a material portion of this foreign-source income. Failing to enact LB347 will leave Nebraska behind.

LB347 would recommit to Nebraska's 30-year policy of taxing only income earned in the state, provide regulatory certainty, even the playing field for current and future Nebraska businesses, and encourage investment and job creation. Thank you for your support of this critical legislation. With your support Nebraska can join other states in clarifying that foreign-source income will not be taxed in Nebraska. Please advance LB347 from committee for consideration by the full legislature.

Sincerely,

**(Insert Business Name or Name Here)**