

Themes are similar at final tax hearing

Written by By Ally Phillips
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LINCOLN—Lincoln was the fifth and final stop for the Tax Modernization Committee's tour of Nebraska, and committee members heard many of the same themes they have in earlier hearings in Scottsbluff, North Platte, Norfolk and Omaha.

The committee started its series of public hearings Sept. 23 in Scottsbluff. Though much of the testimony was similar throughout the five hearings, Sen. Paul Schumacher of Columbus said hearing the same ideas throughout the state helped to shed light on the issue of taxes.

"They (the public hearings) were a very good exercise in democracy," said Schumacher, vice-chairman of the Tax Modernization Committee. "I'm glad we did them."

The committee was created in the spring in response to a proposal by the governor to significantly alter the state's tax code, which drew heated opposition from many quarters. The Legislature responded by creating the Tax Modernization Committee, instructing it to analyze the state's tax system, including sales taxes and property taxes as well as individual and corporate income taxes.

Lincoln's hearing lasted about five and a half hours. The committee heard testimony from more than 30 people, similar to the numbers at other hearings, according to Sen. Galen Hadley of Kearney, who chairs the special committee.

"We appreciate all that have come to testify," he said.

One person who testified in Lincoln was former shop teacher Andrew Schultz.

"Shop teachers like to make things run smoothly," Schultz said. "The tax system is a little out of

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tune.”

Schultz testified against sales taxes. His four-minute testimony described a complicated proposal he referred to as a round up tax. Schultz proposed ways to make sales tax in retail stores voluntary and suggested suggested rounding up totals at the cash register. He also suggested having new cash register software to help with the calculations in his proposal.

Though Hadley didn't comment on whether he approved of Schultz's idea, the senator said he was grateful for the testimony.

“Few people have brought solutions; I commend you for that,” Hadley said.

A common topic was taxes on retirees. De Tonack, semi-retired teacher, and Sen. Sue Crawford of eastern Sarpy County both testified against retiree taxes.

Tonack suggested removing the state income tax on Social Security benefits. She said that Nebraska is one of five states to fully tax Social Security benefits.

Tonack said retirees make important contributions to the state by doing volunteer work.

“Retirees are not our richer individuals but they provide revenue for Nebraska in many ways,” she said. “Inequality and unfairness are things to be addressed.”

Crawford focused on military retirees. She suggested a retiree tax exemption that she said could help keep military retirees from moving away. People in the military are more willing to move than those who haven't been in the military, she said.

Sen. Burke Harr of Omaha, a member of the Tax Modernization Committee, asked why

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Crawford would want to treat military retirees differently, even though he said he is grateful for all they have done for the country.

“It could expand to other retirees if you carefully tailor it,” Crawford said.

The committee is required to issue a report of the public hearings by mid-December.

Hadley said the committee hasn't determined what legislation might evolve from the hearings to take to the Unicameral in January.

“We're going to try and analyze the information given and go from there,” he said.

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