

Property tax relief should be focus

Written by Troy Linn, president Dawson County Farm Bureau Board of Directors
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Next week the Legislature's Tax Modernization Committee will hold a public hearing in North Platte to get citizen input about possible changes in state tax policy. While there was a lot of talk about tax reform at the state Capitol last year, the reality is that meaningful tax reform for most Nebraskans means property tax reform. One of the guiding principles of the Committee as they discuss broader tax reform is to examine equity in Nebraska's tax system. As the tax reform discussion comes closer to home, here are few things worthy of noting about property taxes and equity:

Property taxes collected statewide continue to climb. Since 2002, statewide property tax collections have increased nearly 73 percent.

Property taxes are particularly hard on rural areas of the state, including counties surrounding Lincoln County and the North Platte area. Analysis by the Nebraska Farm Bureau shows that the per-person property tax burden for counties in this area tend to be higher, and in many cases significantly higher, than the per-person property tax load when compared with Nebraska's largely urban counties.

When you examine Lincoln and its surrounding counties; 10 of the 11 counties carry a higher per-person property tax load than individuals in the more populated Nebraska counties of Douglas, Sarpy and Lancaster. Only Dawson and Lincoln counties have a similar per-person property tax burden. Both Hayes and McPherson counties carry a per-person property tax load more than three times that of Sarpy County, the highest per-person property tax county of the three most urban counties. The per-person tax burden in Arthur, Logan, Perkins, Frontier, Chase and Custer counties carry per person property tax loads double that of Sarpy County.

Property taxes don't consider ability to pay. While Dawson County has a similar per-person property tax burden with the more urban counties; it, like neighboring counties, has a lower per capita income level than its urban counterparts.

According the U.S. Census Bureau, Sarpy County's per capita income level is \$29,610, nearly \$3,000 more than Lincoln County, the area's highest per capita income county (\$26,648) and nearly \$10,000 more than Arthur (\$20,071) and Dawson (\$20,077) counties, the lowest per capita income counties in the area. In short, residents in the North Platte region have less income to pay higher property tax bills. Tax relief that focuses on income taxes won't provide

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relief to these counties that carries a heavy property tax load and have less income to be taxed to start with.

With the Tax Modernization Committee coming to North Platte next week, area residents would be well served to not only attend the public hearing but send a strong message that property tax reform should be the primary focus of any tax reform talks, particularly when equity is a part of the equation. Tax reform that doesn't include property tax relief won't be much relief for those of us who live in this area.