

The following legislative proposals will be debated on the floor this week. Reform for Nebraska's Future (RNF) has reviewed each bill as they currently stand and compared them to our principles for comprehensive property tax reform:

1. Nebraska's source of tax revenues should be balanced, generating equitable revenue from taxes on sales, income, and property.
2. Tax reform in Nebraska should be revenue neutral.
3. Property tax reform is necessary to provide a stable funding source for Nebraska's future.

RNF is a coalition of Nebraskans from across the state who believe Nebraska's tax structure must be reformed to fix inequities which have led to excessive property taxes on Nebraska's families and businesses, while threatening the stability of funding for education and other Nebraska priorities.

Property taxes currently account for nearly half of all combined collections of Nebraska's three major tax sources; property tax, sales tax, and income tax. Property taxes collected in the state are growing rapidly, increasing the property tax burden on Nebraskans, while putting education and other public services at risk due to the over reliance on property taxes as a primary funding source.

**77 percent of Nebraskans are in favor of property tax reform and 62 percent of Nebraskans believe it should be the top priority for the current legislature to address.** Unfortunately, many proposals still fall short of what is truly needed. Instead of reacting to special interests, Nebraska's leaders should be listening to their constituents and delivering property tax reform.


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 **LB640 - To use the Property Tax Credit Fund to offset caps on school budgets reliance on property taxes at 55 percent. (Sen. Groene)**

**Does not meet Reform for Nebraska's Future's Principles for Property Tax Reform**

This proposal does not meet RNF's principles because as introduced it falls short of achieving property tax reform. LB640 falls short of providing meaningful reform to the tax system by balancing the three legged stool of tax policy. In order to provide balance, property taxes must be relied on for less than 55 percent.

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 **LB461 - To adopt the Agricultural Valuation Fairness Act and change income tax rates (Sen. Smith)**

**Does not meet Reform for Nebraska's Future's Principles for Property Tax Reform**

This proposal does not meet RNF's principles in its current form because it does not provide property tax reform that balances the state's three major revenue sources. Instead it provides little to no relief to agricultural property owners and provides zero relief to Nebraska's homeowners, whose property taxes increased by 36 percent over the past decade. Additionally, this proposal provides income tax cuts that only benefit the wealthiest of Nebraskans, while creating even more imbalance to Nebraska's three legged stool of tax policy because for every \$1 of property tax relief, this proposal provides \$10 of income tax relief.