

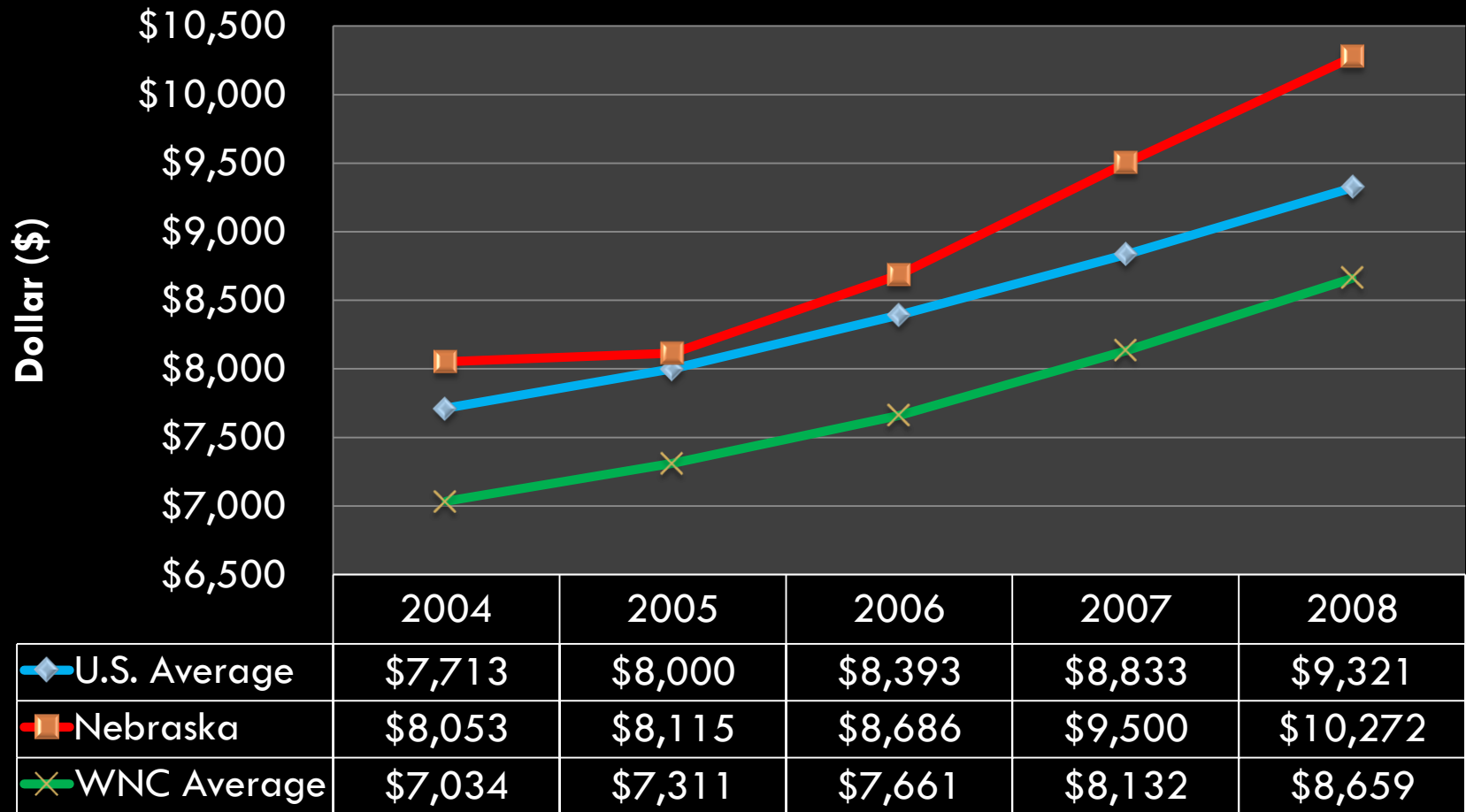
***FISCAL COMPARISONS FOR
NEBRASKA, 2008-09***

**PROGRESSIVE RESEARCH INSTITUTE
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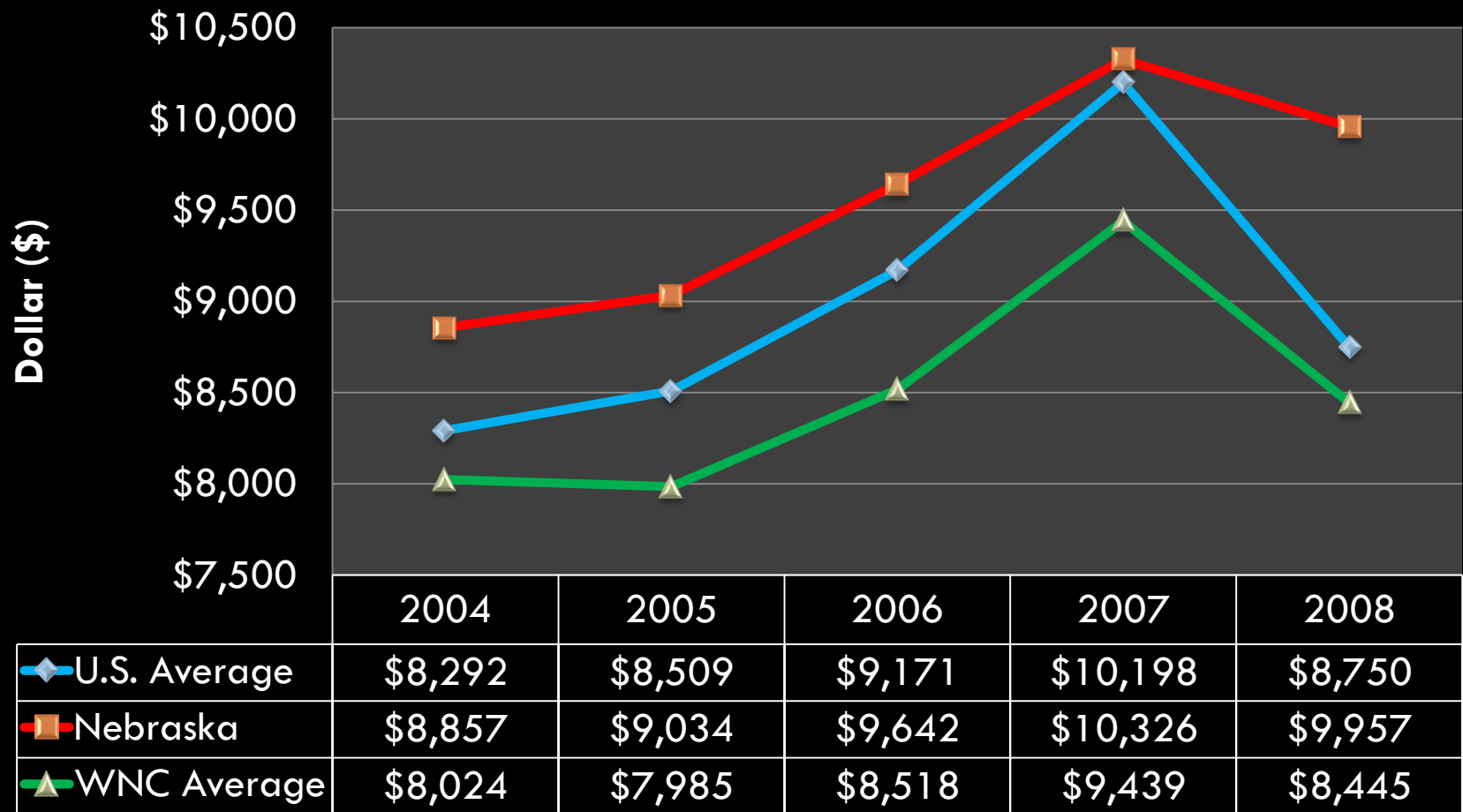
Spending and revenue comparisons

- US Census Bureau data is used to compare state and local spending and revenue collections per capita. Most recent year is 2008
- Compare Nebraska to both the US average and the average for the West North Central region
- West North Central (WNC) includes: North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa and Minnesota
- In 2008 pension revenue dropped by 95% due to unrealized losses, causing total revenue to drop. Most other categories increased

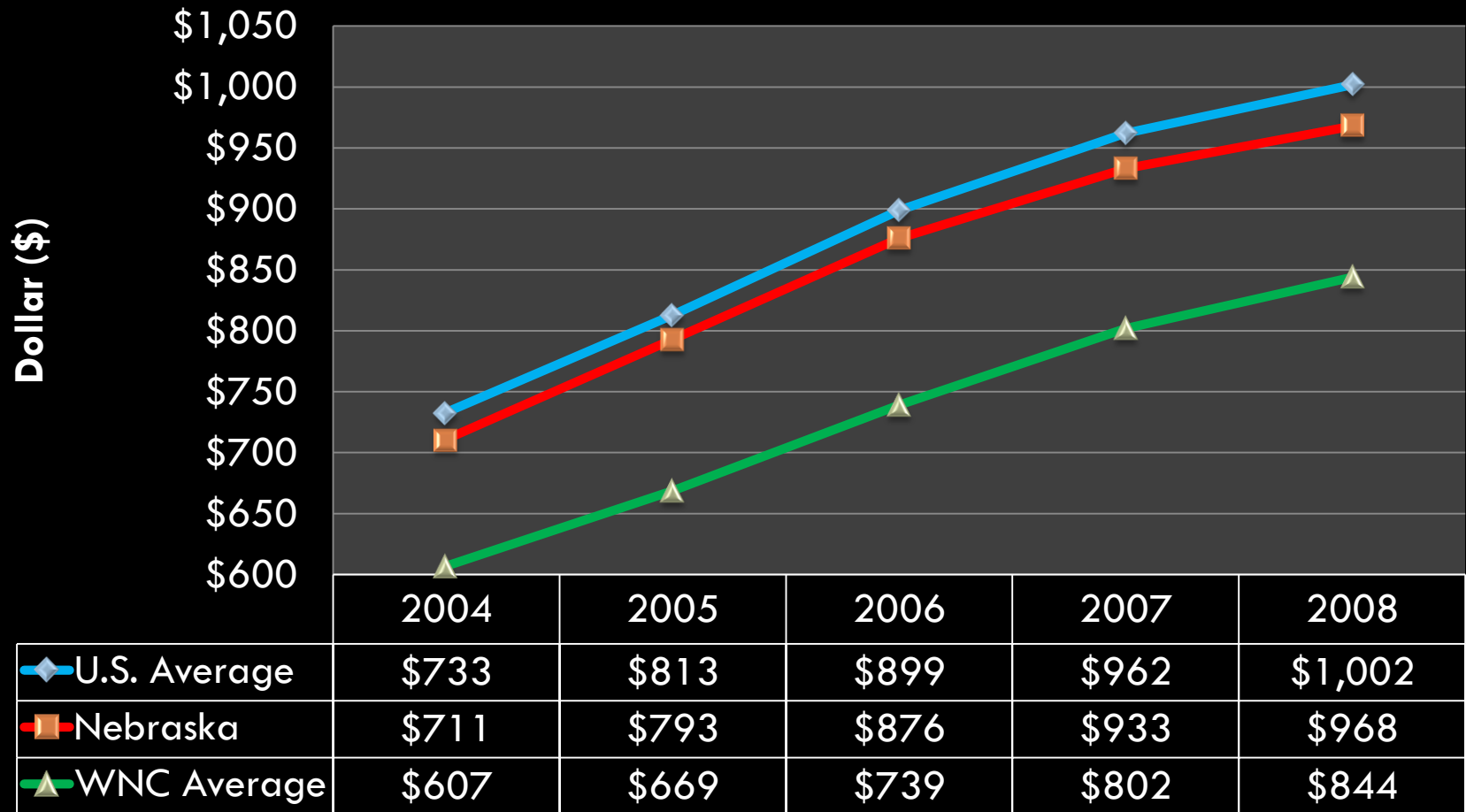
State and local spending per capita



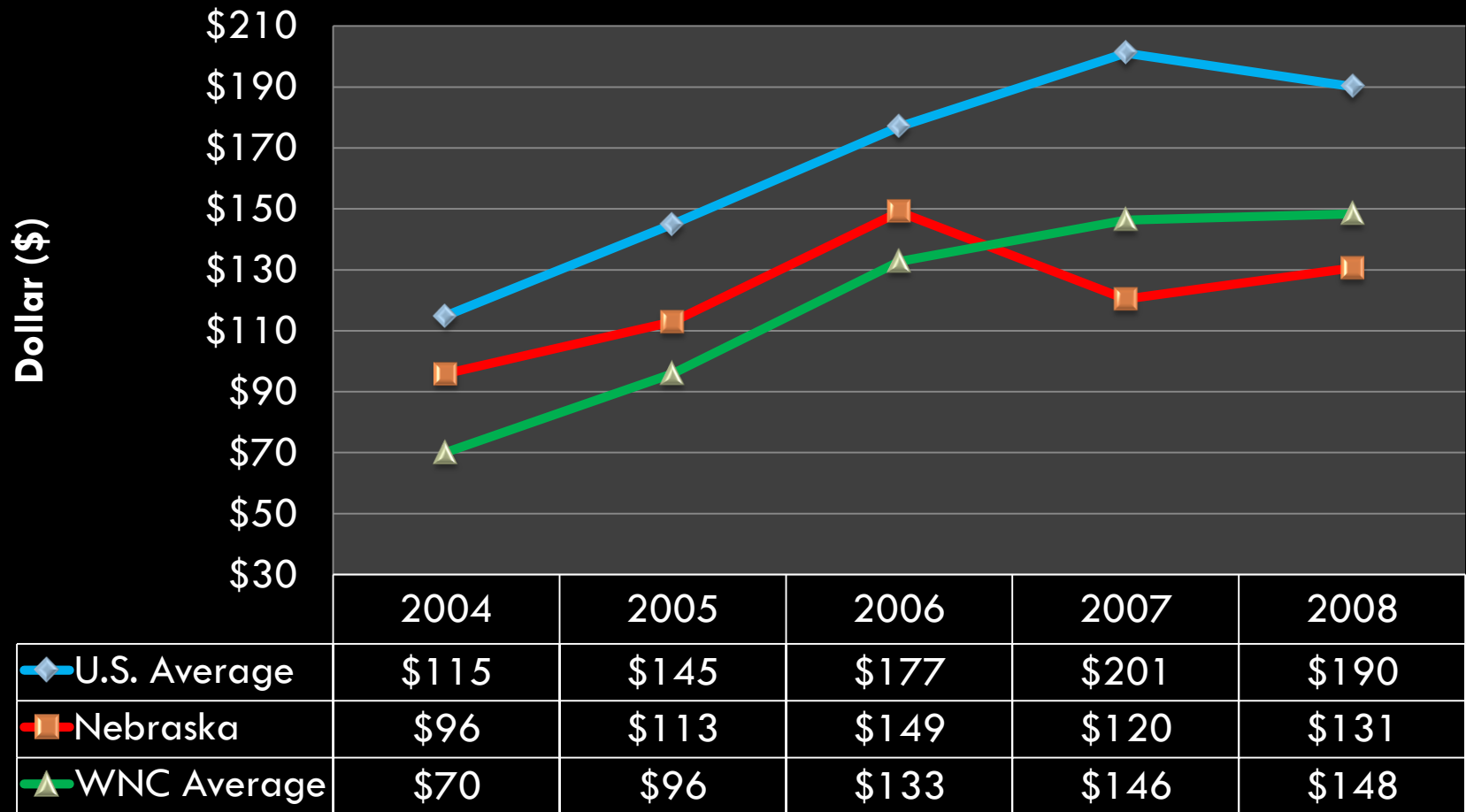
State and local revenue per capita



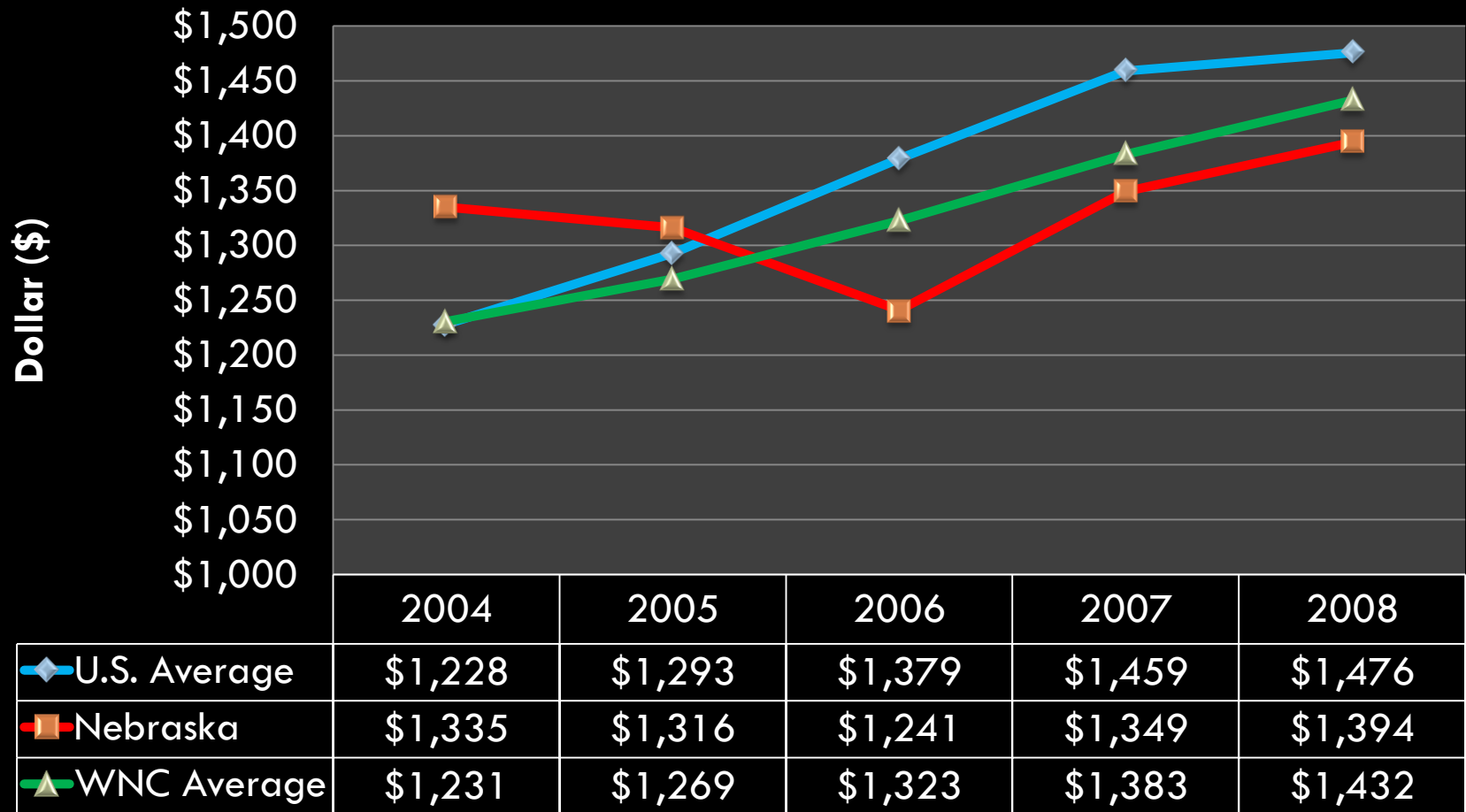
Personal income tax revenue per capita



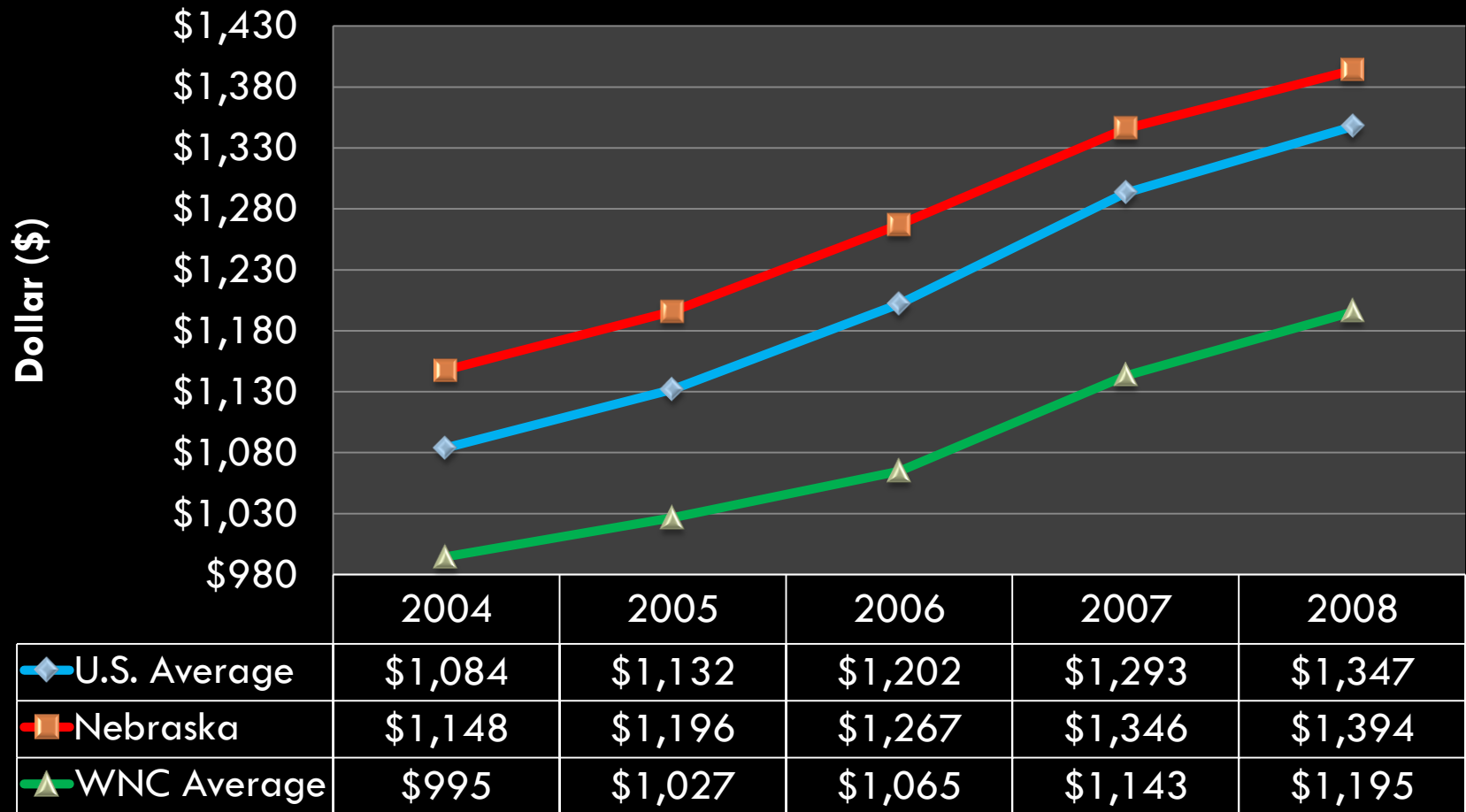
Corporate income tax revenue per capita



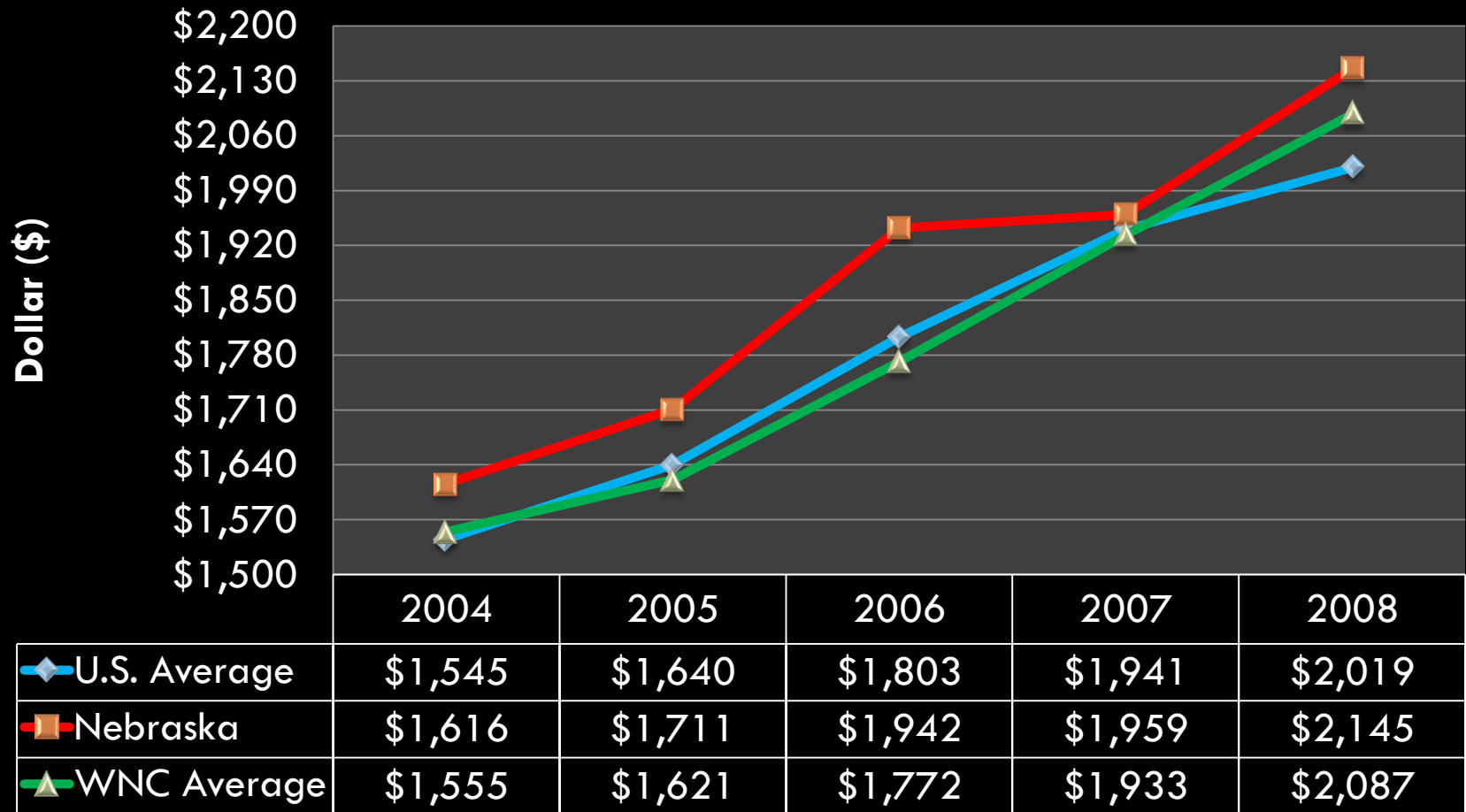
State & local sales tax revenue per capita



Property tax revenue per capita



State & local fees, charges and interest revenue per capita



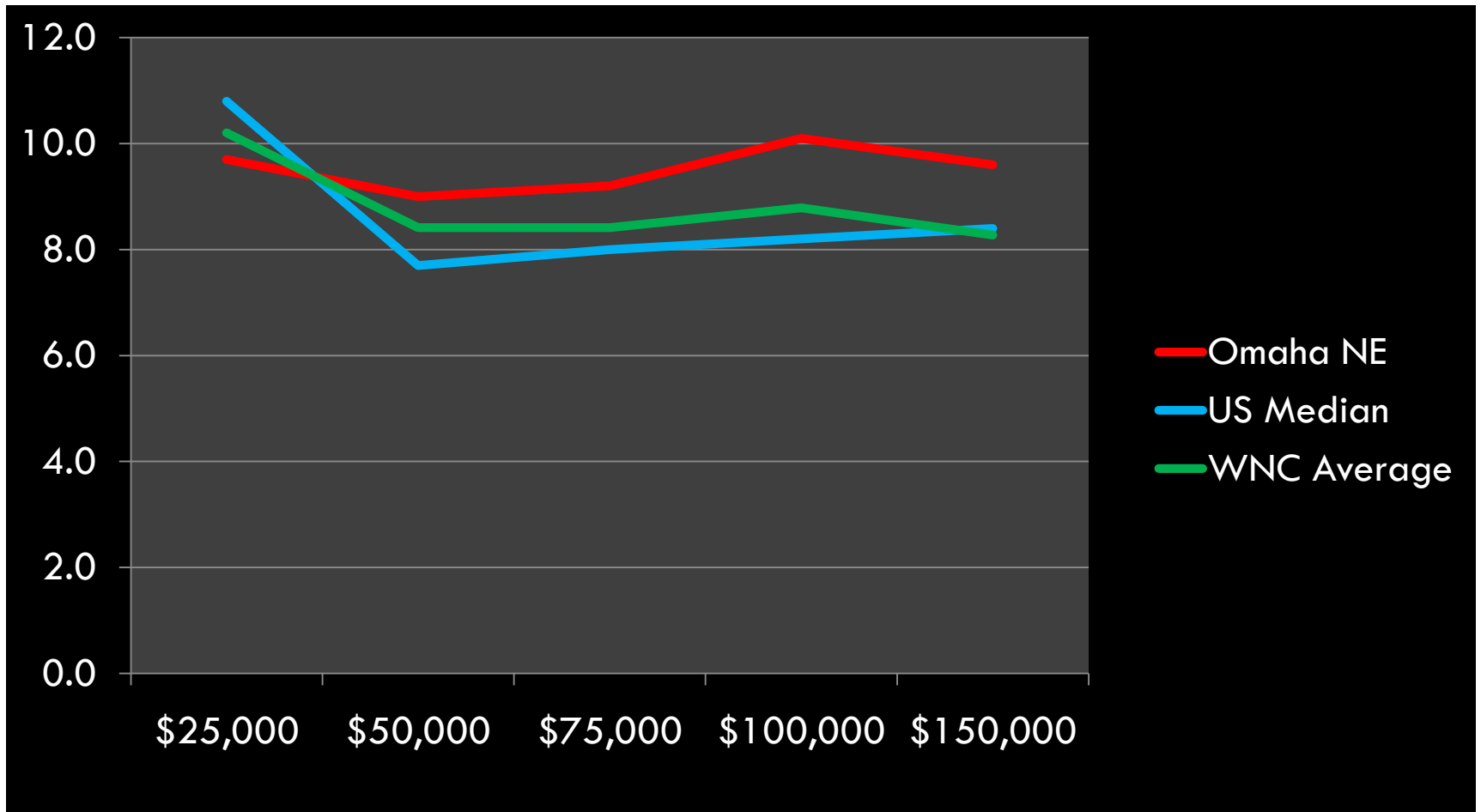
Findings I

- Nebraska's state and local spending and revenues are higher than both the US and regional averages. In 2008, revenue fell less than average and spending increased faster
- Nebraska is below the national average and above the regional average for the personal income tax collections.
- Corporate income tax revenue fell in 2007 to below US and regional average.
- Sales tax dropped substantially in 2006. It is now lower than national and regional average.
- Property tax is higher than both the national and regional average.
- Fees charges and interest: Above national and regional averages

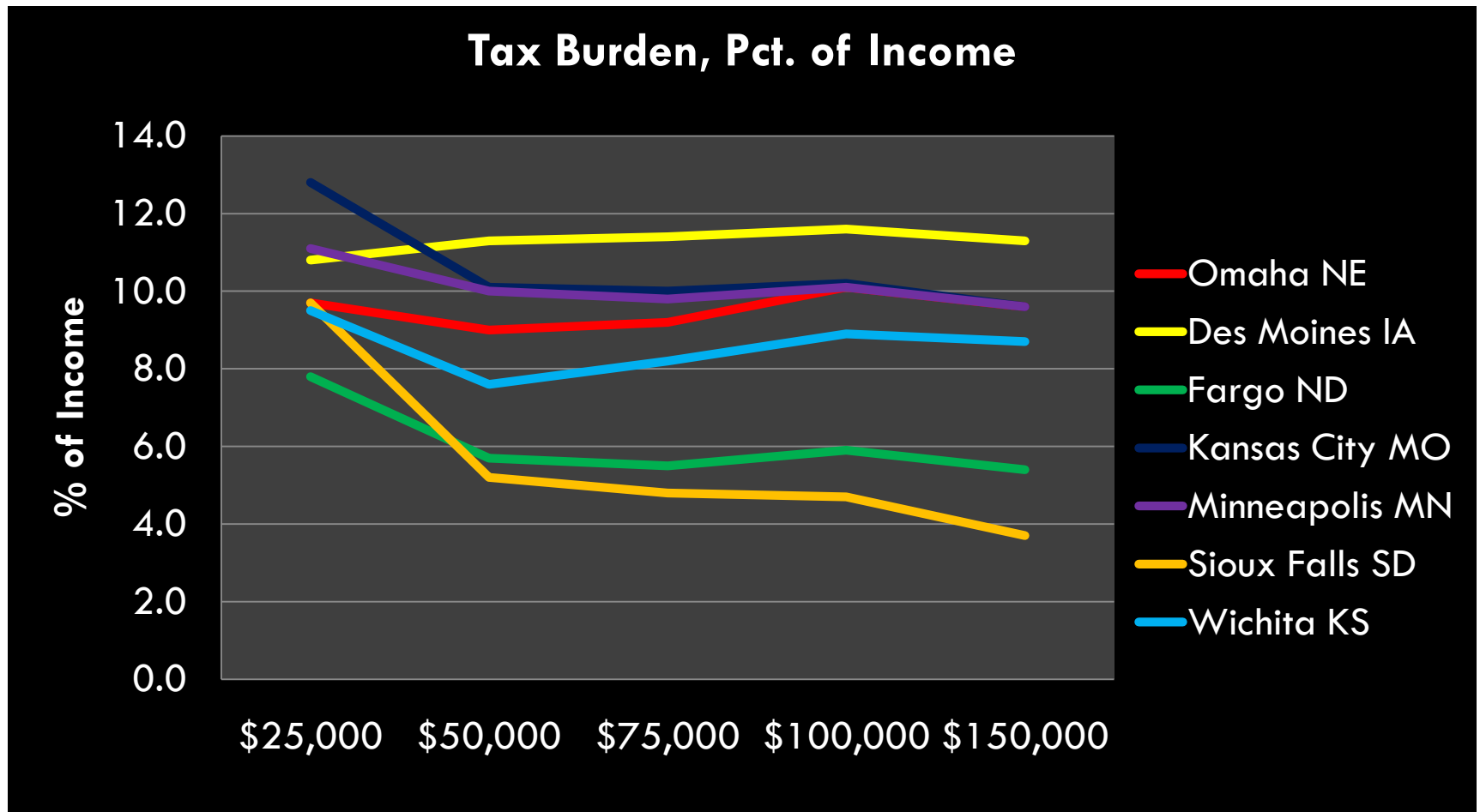
Tax burden study

- DC Office of Finance does an annual study comparing the tax burdens on families for the largest city in each state and Washington DC
- The most recent report uses 2009 data
- It looks at taxes on a family of 3, and makes assumptions about spending, home values, income and auto ownership. Four taxes are included: property, general sales, personal income and auto taxes
- A useful comparison of the burden of tax by state

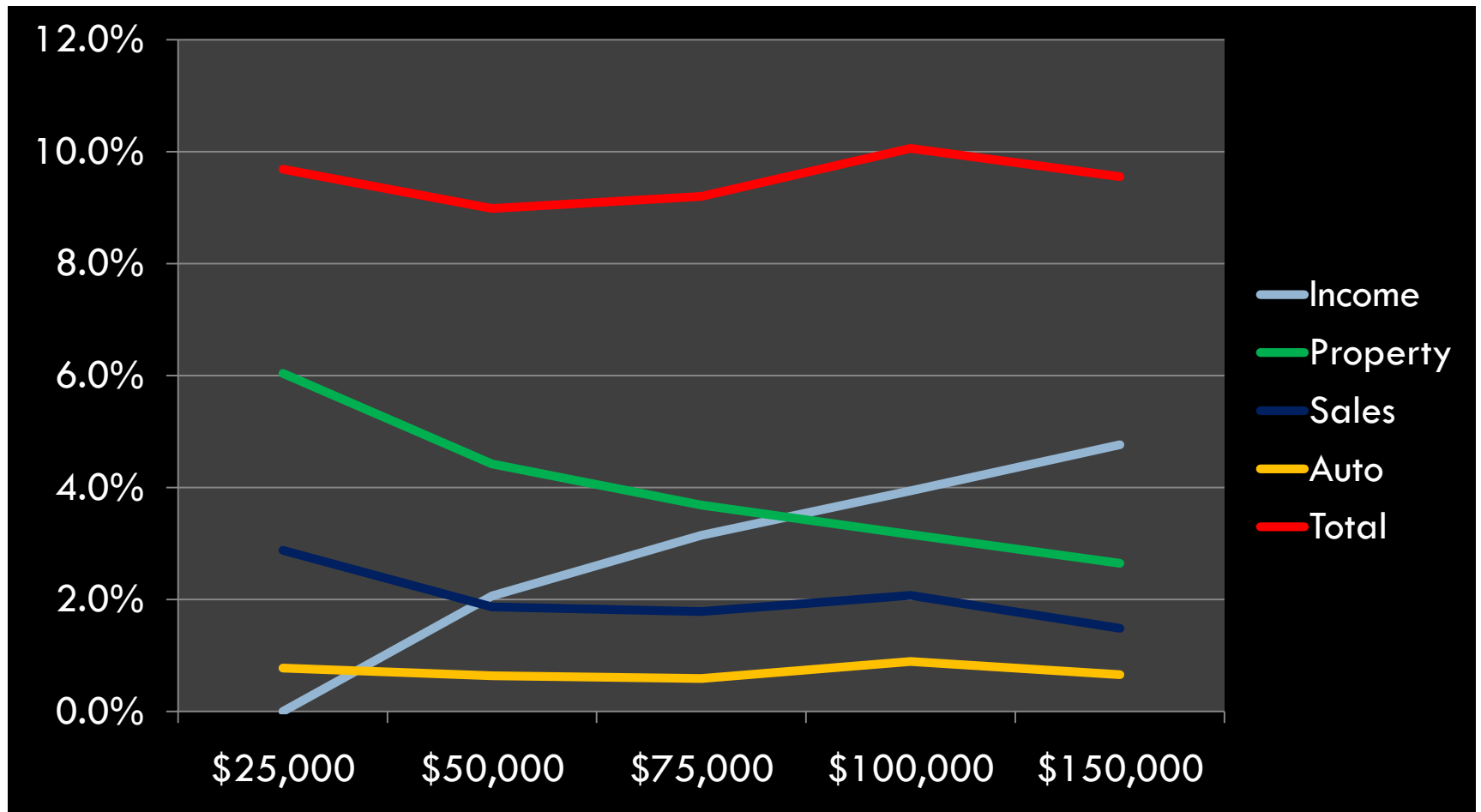
Tax burden by income, 2009



Tax burden by income, region (2009)



Omaha tax burden, by tax



Findings II

- Omaha tax burden is slightly above the national median except at the lowest income level
- Compared to the region, Omaha is very close to most cities at all levels
- Des Moines is highest in the region at all income levels but the lowest
- Fargo and Sioux Falls are significantly lower at most income levels
- Omaha total tax burden is generally proportional.
- Property tax and sales tax are regressive in Omaha while the income tax is progressive
- The degree of reliance on the income tax and the progressivity of that tax are the main determinants of progressivity

Conclusions

- Nebraska responding to competitive pressure
 - Sales tax dropped below average due to 2006 cut and corporate income tax dropped below average due to 2007 cut
 - Income tax collections are close to national and regional averages. They counter other regressive taxes
 - Property taxes above regional and national averages. It is a regressive tax and the first priority for tax reduction should be for low income owners and renters
 - Overall, Omaha's taxes are in line with the region