



7521 Main Street, Suite 103
Omaha, Nebraska 68127

(402) 597-3100
www.voicesforchildren.com

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January 31, 2018

Senator Smith, Chairman – Revenue Committee
Room 1524, Nebraska State Capitol, Lincoln, NE 68509

RE: Opposition to LB 947 - Adopt the Nebraska Property Tax Cuts and Opportunities Act, change income tax rates, and eliminate certain exemptions and credits

Dear Chairman Smith and Members of the Revenue Committee,

Children are Nebraska's future, and the decisions our leaders make about them impact our collective future. Voices for Children in Nebraska is opposed to LB 947 because it fails to prioritize low-income children and endangers our investments in state programs that support vulnerable children and families.

In 2016, 14% of all Nebraska children lived in poverty. Nebraskans are working hard—over 77% of children in our state had all available parents in the workforce—but hard work is no longer enough to make ends meet.ⁱ At a time when wages aren't keeping up with the cost of raising a family, LB 947 leaves behind low- and moderate-income families while offering the lion's share of benefits to the wealthiest families. Low-income families already pay a larger share of their income toward sales, excise, and property taxes, and income tax cuts do little to provide relief. An approach with proven success in easing the tax burden on lower-income families are efforts that strengthen the state Earned Income Tax Credit (EITC).

We are additionally concerned with provisions in LB 947 that trigger automatic changes to the state budget and undermine our ability to fund critical programs that serve Nebraska children. The changes proposed within LB 947 creates a dangerous future in which lawmakers will be unable to respond to changing needs in the state, such as the recent increase in maltreated children placed in foster care just this year.

We believe that a good tax structure should prioritize children and the public structures that support their education, health, and well-being. Nebraska can't afford to trade our children's futures for continued budget uncertainty. We respectfully urge the committee to not advance this bill. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Julia Tse".

Julia Tse, Policy Coordinator

ⁱ Voices for Children in Nebraska, *2017 Kids Count in Nebraska Report*, 52-53, available at: <http://kidscountnebraska.com>.