February 23, 2021

Thank you Senator Linehan and members of the committee. My name is Julie Erickson and I representing Voices for Children in Nebraska in opposition to LB 115.

Voices for Children in Nebraska opposes the elimination of the sales tax exemption on bottled water, candy, and soft drinks in LB 115 because it would disproportionally affect Nebraska families with lower incomes at a time when many working families are struggling to make ends meet.



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Families with limited income spend a much larger share of their income meeting basic needs. Consumption taxes, such as the one proposed by LB 115, are inherently regressive. The lowest quintile of Nebraska taxpayers (those with less than $24,000 in household income) spent 6.1% of their income on sales and excise tax, compared to 0.8% for the top 1% of taxpayers (those with more than $462,600 in household income).When looking at all state and local taxes in Nebraska, lower income families already pay the most in taxes when compared to their income. The lowest quintile of Nebraskans spent 11.1% of their income on taxes, compared to just 8.7% for the top 1% of taxpayers.

We appreciate that the Legislature has before it a difficult task in balancing the state budget and mitigating the health concerns that this bill seeks to address, but this is not an equitable or adequate solution. We should not impose additional tax burdens on those who can least afford them, especially at a time when many Nebraska families have been economically devastated by the consequences of a global pandemic.

We thank Senator McCollister and appreciate his time and commitment in coming to broad solutions for the state but we are opposed to raising consumption taxes. We respectfully urge the committee to not advance LB 115. Thank you.