

## Tax relief for the Middle Class

Written by Wauneta Breeze

Friday, 20 January 2012 15:14 - Last Updated Friday, 20 January 2012 15:16

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Dear Fellow Nebraskans

By Gov. Dave Heineman

I'm proud of you and our citizens for your input, your insight and your leadership. Every day I am proud to be the governor of this great state and as I enter my eighth year as governor of Nebraska, I am more determined than ever to keep Nebraska moving forward and to address the key challenges of today.

In my State of the State address, I said that we have worked hard these past few years to position Nebraska as an attractive place to live and do business.

My focus for the coming year is to provide tax relief to our hard-working middle class Nebraskans and to make Nebraska an even better place to live.

According to the Tax Foundation rankings, in 2006 Nebraska was one of the top ten highest tax states in America. Nebraska was 45th out of 50 states. Today we are 29th. Since 2006, Nebraska has made greater and more significant improvement in our tax climate than 48 other states.

That's good news, but we can do better than 29th. Even with our healthy economy, many Nebraska middle class families still struggle from paycheck to paycheck. We can help these families by changing Nebraska's income tax structure and allowing them to keep more of the money they make.

If your adjusted gross income is more than \$54,000, you are taxed at the same marginal rate as

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Warren Buffett. That is unfair to middle class families. Our hard-working taxpayers are tired of government taking too much of their paycheck.

In 2011, Nebraska's net tax receipts grew by \$349 million. The opportunity to provide tax relief for our taxpayers is now. Our hard-working, middle class taxpayers need more discretionary income to take care of their families and to provide their kids with a good education.

For the past few months, I have been working with Senator Cornett to develop a major tax relief initiative for Nebraska's hard-working, middle class families. Our proposal lowers tax rates and expands the brackets so that Nebraska's hard-working taxpayers can keep more of their income.

Our proposal eliminates the inheritance tax. You've probably seen the recent headline in Forbes — Nebraska is named as a state "Where Not to Die in 2012."

Even high tax states like Massachusetts, New York and California don't have an inheritance tax. Nebraska is one of only eight states that has an inheritance tax and we need to change that. □

□ This is about good tax policy and completing the elimination of the death tax.

□ Our proposal reduces the corporate income tax rate to help small businesses grow. Our highest priority should be tax relief for Nebraska's hard-working, middle class taxpayers. Special interest groups will argue we can't afford tax relief because they want to take that money from our hard-working taxpayers and spend it on their favorite projects.

The question is tax relief for hard-working middle class Nebraska taxpayers or more spending for special interest groups?

The choice is clear and I am going to fight for our middle class families.

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For example, if you are a young family of four with an adjusted gross income of \$30,000, with our proposal, you will receive a 29.5 percent tax cut.

If you are a single mom with two kids with an adjusted gross income of \$40,000, you will receive a 10.5 percent tax cut.

If you are a hard-working middle class family of four with an adjusted gross income of \$75,000, you will receive a 10.9 percent tax cut. If your adjusted gross income is \$100,000, your tax cut will be 7.2 percent. However, if your adjusted gross income is \$1,000,000, you will only receive a 2 percent tax cut.

The focus of this bold tax relief plan provides Nebraska's hard-working, middle class taxpayers the help they need. Nebraska families have had to tighten their belts and learn to do more with less.

So should government.