

## 2018 Legislative Session Adjourns Sine Die

I'm not quite sure if it was relief or joy that swept across the Rotunda as they announced that the 105<sup>th</sup> Legislature, Second Session had adjourned sine die. Speeches from departing senators provided insight to just how divided the body has become, but also hope as to what our Unicameral can do. You won't find anyone that will tell you this was a fun session. There was much left on the table, and it won't sit there until next January. The following are links to two stories from the Lincoln and Omaha papers that do a good job of explaining how things ended yesterday.

From the Omaha World Herald: [http://www.omaha.com/news/plus/nebraska-legislature-wraps-up-session-we-accomplished-much-but-we/article\\_7d62a801-99b5-5f49-826f-5210cd0c2b3d.html](http://www.omaha.com/news/plus/nebraska-legislature-wraps-up-session-we-accomplished-much-but-we/article_7d62a801-99b5-5f49-826f-5210cd0c2b3d.html)

From the Lincoln Journal Star: [http://journalstar.com/legislature/nebraska-legislature-adjourns-with-straight-talk-and-emotional-speeches-from/article\\_6698d561-d176-5d50-8b2a-a875f221ad83.html](http://journalstar.com/legislature/nebraska-legislature-adjourns-with-straight-talk-and-emotional-speeches-from/article_6698d561-d176-5d50-8b2a-a875f221ad83.html)

Next Monday is the deadline for senators to send in their request for a special session regarding tax reform. The consensus is that there will not be the required 33 requests. If our prediction is wrong, and there are 33 senators who ask for a special session, they could convene before the end of the month. Some say that the responsible thing to do is to have a special session because that would force the Legislature to do something. However, they ignore the fact that they don't have to be in session to discuss issues and work towards a plan that would be acceptable (and the fact that they are all exhausted and need a break from each other). If an agreement could be reached, they could always come back into a special session to pass legislation. There are still fundamental questions that remain. Is there a problem with our current tax system? Is the best way to address it to cut agricultural property taxes? Are we better off to focus on economic development and incentivize investment in the state by lowering corporate income taxes? Finally, how do we pay for any tax cuts?

The Yes to Property Tax Relief group argues that property taxes must be lowered immediately and is currently circulating petitions to place the issue on the November ballot. The group has until July 5<sup>th</sup> to collect nearly 85,000 signatures. The proposal would give Nebraska property owners a refundable income tax credit equal to 50 percent of the school property taxes they pay, which would be about 30 percent of the total property tax bill. As I discussed in my last update, the primary problem with this proposal is that it will cost the state over \$1.1 billion annually. Some organizers say that the state should turn to sales taxes to cover the cost should it pass. Others believe that the Legislature needs to take time to do a thorough review of our tax system and find other avenues.

Regardless of what happens, all of us will be impacted. In the coming weeks we will be reaching out to all our clients to discuss the potential exposure should the petition pass.

For the next few days, we are all going to try to catch our breath.

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