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**Capitol View**

**Commentary by J.L. Schmidt**

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**Is It a Property Tax Problem or a School Funding Problem?**

A tax is a sum of money demanded by a government for its support or for specific facilities or services, levied upon incomes, property, sales, etc. Thanks dictionary.com. It is also a burdensome charge, obligation, duty, or demand. Taxing, says our source, is wearingly burdensome.

Just ask the 49 members of the Nebraska Legislature. Just ask the cadre of reporters who have covered the issue, some of us for decades. Just ask the lobbyists who try to either get some or avoid some for their clients. Ask the governors who have lost their jobs over the issue or have fought against taxes.

So, here we are again. There are a number of options on the desks of the members of the 106th Legislature’s spanking new (5 newbies, 3 veteran committee members) Revenue Committee. Some offer elimination of sales tax exemptions or tax credits and incentives. Others look to increase the sales tax on things like alcohol and tobacco and haircuts. Another proposes an overall increase in the state sales tax rate. One slices an exemption that serves only the state’s wealthiest to the tune of $83 million.

Some seem like good ideas that would create lively discussion and a fresh take on much-needed tax reform in a state that ranks among the highest in property taxes. That’s the one tax that has caused the greatest pain amongst the agriculture, business and homeowner interests. Not the only pain, just the greatest.

**For Release Wednesday, February 6, 2019 – Page 2**

But any discussion is clouded by Gov. Pete Ricketts who adamantly opposes tax shifts and tax increases (he equates the two) and a Legislature that wants to avoid getting bogged down in filibusters and the 33 votes necessary to break the logjam, let alone having to come up with 30 votes to override the likely gubernatorial vetoes. That’s just politics.

How do we get meaningful tax discussion started and, just maybe, something definitive passed? I suggest we re-frame the problem with the question, is it a property tax problem or a school-funding problem?

New Revenue Committee Chair Sen. Lou Ann Linehan of Elkhorn framed the issue correctly for the Omaha World-Herald before the session even started. “I don’t think you can fix (property taxes) until you fix school funding,” she said. The problem is that too many school districts — about 175 of the state’s 245 districts — don’t get any of the “equalization” aid from the state. That needs to be addressed.

Then there’s the debate over K-12 spending. Education Committee Chairman Sen. Mike Groene of North Platte, a bulldog conservative, said that schools could reduce spending without affecting educational outcomes. The Nebraska State Education Association – the statewide teacher’s union -- argues Nebraska lags behind in its support of public education and cuts do affect quality.

There was a time in legislative history when the Education and Revenue Committees (Groene is on both) would have collaborated and held public hearings, most likely in an interim study, to look at the joint problem and worked toward a joint solution. Past Legislatures might have embraced the opportunity to forge a grand bargain.

Sadly, times have changed. With 30 Republicans, 18 Democrats and one Independent senator and a party-driven Republican Governor with just enough party-driven whips on the floor, things are nowhere as near non-partisan as

**For Release Wednesday, February 6, 2019 – Page 3**

George W. Norris envisioned decades ago when he created the unique Nebraska Unicameral.

That party-driven, POTUS-hating divide in Washington, DC that we read about ad nauseum has come home to roost in the Cornhusker State. That’s on you Governor Ricketts and the senators whom you have bought with election dollars while targeting your opponents from both parties. That’s on every senator who says that committee elections should no longer be by secret ballot so the party faithful can keep lists. That’s on term limits too.

Shame on every one of you. If there was ever a non-partisan issue -- a true Nebraska issue -- that needs a solution, this is it. Now is the time. The Nebraska school children and teachers have waited long enough. The taxpayers have certainly waited way too long.

Get off your elephants and asses and work together to figure this thing out. I don’t expect to see you all sitting around a campfire toasting marshmallows and singing Kumbaya. But I do expect you to be cooperative and civil and non-partisan and expedient in your deliberations.

Just do it. Now!

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