



The Excessive Taxes Nebraskans Need to Know About

It is said nothing is as certain as death and taxes. What's not so certain is how elected officials will choose to tax citizens.

Faced with enormous budget gaps due to overspending, our elected officials are coming up with creative methods to increase revenue. In order to avoid unpopular tax hikes in areas that the public is typically aware of, such as the income tax or sales tax, elected officials are turning toward increasing taxes on services that fall below much of the public's radar. These types of taxes are known as stealth taxes.

Taking the stealth tax route has many advantages for government, but little to no benefit for the taxpayer. Many analysts believe stealth tax increases are less dependent on the economy, providing for a reliable stream of revenue, all without most citizens realizing they are giving more of their hard-earned money to Uncle Sam.

Sadly, Nebraska's elected officials are jumping on the stealth tax bandwagon, most notably in the area of cell phones, where taxes can be increased in a relatively hidden manner. Elected officials began to take notice of this untapped revenue source with the growing number of cell phone users in recent years. In 2010, there were 292 million cell phone users in the U.S. compared to 55 million in 1997. Unfortunately, Nebraska cell phone consumers pay the highest taxes on cell phones in the country, according to a recent report by the Tax Foundation.

The report found cell phones are taxed as much or more than alcohol or tobacco. The combined federal-state-local cell phone tax average in the Cornhusker state is 23.69 percent. Compare that to the fact that the average U.S. cell phone user pays taxes and fees of 16.26 percent. Additionally, the Universal Service Fund (USF) charges are modest in most states, but exceed 4 percent of Nebraskans' wireless bills.

At a time when family budgets have been stretched to the extreme, our public officials should focus on cutting spending, not increasing the cost of living on their constituents. While the method of taxation may be blurry, one thing is abundantly clear- Nebraskans value "look you in the eye" straight talk. The use of stealth taxes does no credit to the policymakers employing such below-the-belt tactics.

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