



Sunny Revenue Forecast is a Golden Opportunity for Taxpayers

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The Nebraska Economic Forecasting Advisory Board's [latest projection](#) for state revenues in the current biennium present lawmakers with a golden opportunity. The additional \$99 million in projected revenue means that the State of Nebraska is on even firmer financial footing than previously thought. For policymakers with some apprehension about tax reform, the news means that changes in tax policy that come with a fiscal note just became a lot more affordable. News of this latest projection should also shore up the resolve of lawmakers who have already been pursuing tax relief for Nebraska.

While the additional state revenue is indicative of economic growth in Nebraska, this should not be seen as a bonanza for government spending. Instead, the added revenues present the Unicameral with an even more favorable environment in which to reconsider how Nebraskans are taxed. Although Nebraska is a great place to live and work, the state's tax policy makes the state less competitive nationally, and as a result Nebraska is missing opportunities for growth. As explained in a [recent Platte Institute study](#) by Tax Foundation economist William McBride, individual and corporate income taxes are arguably the most economically destructive forms of taxation.

Rather than wasting this opportunity by unsustainably ratcheting up state spending or banking the dollars to be spent by government later, lawmakers should take this opportunity to provide relief to Nebraska taxpayers. Reducing the income tax means more dollars available for families, more capital for entrepreneurs, and more opportunities to grow our economy. But cutting income tax rates won't just benefit Nebraskans at tax time. It will also mean a more competitive position for Nebraska in attracting businesses from out of state, the prospect of serious jobs creation, and a more prosperous future all of us.

More government spending will mean even harder choices down the road. Tax relief will pay dividends for years to come.