

**November 30,
2010**

Follow Us

[TWITTER](#)
[FACEBOOK](#)

Please Take Our Survey

We are currently working on a project involving the new Omaha entertainment tax and would appreciate your feedback. Please take a moment to complete [THIS 10 QUESTION SURVEY](#). Thank you.

Media Information

If you are a member of the media and would like more information on anything in this e-newsletter, please email Berk Brown at: Berk.Brown@PlatteInstitute.org or call (402) 452.3737. Members of the media may use any or all parts of this information in reproduction as long as proper credit is given to the author and to the Platte Institute for Economic Research.

Send a Letter to the

PLATTE CHAT

Is Nebraska a Retiree Tax Heaven or Hell?

According to the U.S. Census Bureau, there are more than 240,000 people in Nebraska of retirement age. Kiplinger has bad news for those individuals. The Washington, D.C.-based publisher of business forecasts and personal finance advice says those Nebraskans are actually living in a "retirement Hell."

Earlier this month, Kiplinger released its list of the nation's "Retiree Tax Heavens and Hells," and Nebraska earned its label by being considered one of the 10 worst states for a retiree to live in from a tax standpoint. Meanwhile, Nebraska's neighbors to the west, Colorado and Wyoming, are both considered retiree Heavens.

A few areas of Nebraska's tax structure hit retirees especially hard. First is the fact that Nebraska is one of just 14 states which has its own estate tax. The only neighboring state do also have its own estate tax is Kansas.

Nebraska's inheritance tax, which is collected at the county level, applies to bequests, devises or transfers of property, or any other interest in trust or otherwise having characteristics of annuities, life estates, terms for years, remainders or reversions. Nebraska inheritance tax is computed on the fair market value of such annuities, life estates, terms for years, remainders and reversions.

Nebraska is also considered one of the five least pension-friendly states along with California, Connecticut, Rhode Island and Vermont. This is particularly vexing when considering the fact that one of the most frightening budgeting issues facing Nebraska is how to deal with overly generous public pensions.

A system in which a state offers throws all kinds of taxpayer money to public employees in the form of retirement benefits and then chases them off those same individuals to spend that retirement money in other states is ironic, at the very least.

The Cornhusker State doesn't offer any great tax breaks to retirees, unless you're

Editor

The Platte Institute strongly believes in the importance of citizens participating in the public dialogue on issues important to Nebraska. Writing a letter to the editor is an outstanding way to partake in the discussion and have your voice heard by thousands of people. To make the process easier, the Platte Institute has assembled a list of links which allow you to submit a letter to the editor to nearly all Nebraska newspapers. Simply [CLICK HERE](#) for a listing of the newspapers and follow the appropriate link to submit your letter.

Contact Us

If you would like to contact someone at the Platte Institute, you are always welcome to give us a call, drop us an email or stop by the office. Our telephone number is 402.452.3737. We are located at 10050 Regency Circle – Suite 120 – in Omaha. Below is a list of staff email address:

John S. McCollister
Executive Director
john.mccollister@platteinstitute.org

Kimberly Stephenson
Development Director
kims@platteinstitute.org

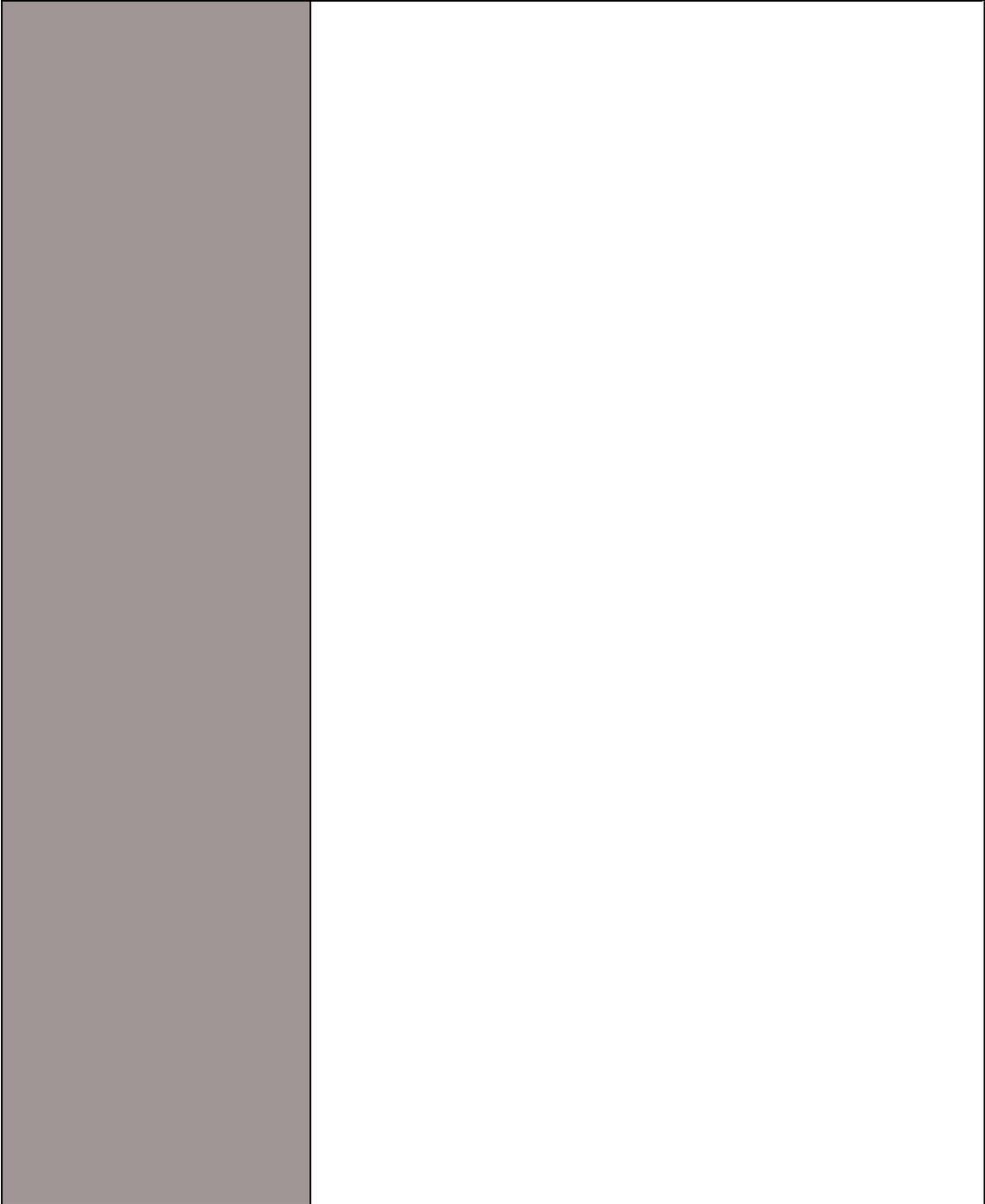
Berk Brown
Director of Communications
berk.brown@platteinstitute.org

a former railroad employee as Railroad Retirement benefits are exempt. But your Social Security benefits will be taxed to the same extent as they are on your federal return. A total of 35 states don't tax social security benefits, including Missouri, Wyoming and South Dakota.

There are no special breaks for military retirees in Nebraska either.

Other retiree considerations include Nebraska having state income-tax rates range from a low of 2.56% to a high of 6.84% on incomes of \$27,000 or more. There's a statewide 5.5% sales tax, and local governments can add an additional 1.5% to the state sales tax rate. Food and prescription drugs are exempt. Real estate is assessed at 100% of fair market value. Residents 65 and older qualify for a homestead exemption on property taxes and Nebraska imposes an inheritance tax on all transfers of property and annuities.

Clearly, if Nebraska wants to truly be the "good life" for citizens of all ages, there needs to be an overhaul of the state's tax system so that retirees are not punished for staying here.



www.platteinstitute.org

If you do not wish to receive this newsletter or if you wish to be removed from all future newsletters, please [click here](#) to manage your subscriptions.