

Written Comment in Support for LR13CA – Prohibition of Inheritance Tax

Dear Chairman von Gillern and Members of the Revenue Committee,

On behalf of the Nebraska Society of Certified Public Accountants, representing approximately 2,600 CPAs and accounting professionals across the state, I write to express our support for Legislative Resolution 13CA, which proposes a constitutional amendment to prohibit the state and its political subdivisions from levying an inheritance tax. We believe that eliminating Nebraska's inheritance tax will modernize our tax structure, encourage economic growth, and reduce financial burdens on families and businesses.

The inheritance tax, currently levied by counties, disproportionately affects family farms, small businesses, and individuals who may not have the liquid assets to cover unexpected tax liabilities. It also creates an incentive for wealthier Nebraskans to relocate to states without such a tax, resulting in a loss of economic activity, investment, and long-term tax revenue. By eliminating this tax, Nebraska can become more competitive with neighboring states and foster an environment that retains and attracts residents.

We recognize that counties rely on inheritance tax revenue for funding essential services. To address the potential budget shortfall, we encourage the Legislature to explore the following:

- **State-County Revenue Sharing** – Adjusting state aid formulas to ensure counties receive necessary funding without over-reliance on a single tax source.
- **Spending Efficiency Measures** – Encouraging counties to evaluate and implement cost-saving measures to minimize reliance on fluctuating revenue streams.
- **Incremental Phase-Out** – If necessary, a gradual reduction of the inheritance tax rather than an immediate repeal could allow counties time to adjust and seek alternative funding mechanisms.

The Nebraska Society of CPAs believes that a well-structured, sustainable tax system is vital for economic growth and fiscal responsibility. We urge the committee to advance LR13CA to give voters the opportunity to decide on this important issue.

Thank you for your time and consideration. We appreciate your service to Nebraska and welcome the opportunity to work with you on tax policy solutions.