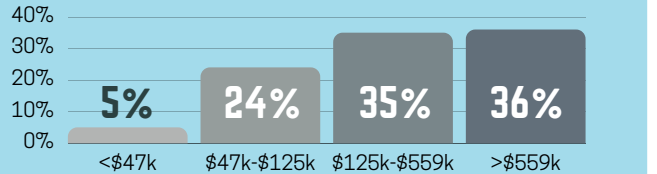


QUICK FACTS: CORPORATE INCOME TAXES



Nebraska has a progressive corporate income tax, meaning that corporations will pay a higher percentage of taxes as their incomes increase.

THE WEALTHIEST BENEFIT¹



The wealthiest 20% of Nebraskans, those making more than \$125k, see the majority of the benefits. The top 1% share 36% of the benefits.

SINGLE SALES FACTOR

Nebraska taxes the percent of a corporation's profit made in the state so large corporations headquartered elsewhere tend to benefit the most from rate cuts. This means rate cuts don't encourage companies to move here.

UP TO 90% LEAVES NE²

That means corporations and shareholders living elsewhere reap the benefits of cutting the top rate (up to 90%), leaving Nebraskans picking up the tab, either through service cuts or higher taxes in other areas.

CUTTING THE CORPORATE RATE WON'T CREATE JOBS

Cutting the corporate rate is an ineffective and inefficient way to create jobs. "[I]ncreasing the after-tax income of businesses typically does not create much incentive for them to hire more workers in order to produce more, because production depends principally on their ability to sell their products," per the Congressional Budget Office.³ Moody's Analytics also found that, during the Great Recession, rate cuts created just \$0.32 in economic activity for every dollar spent, while spending on the Supplemental Nutrition Assistance Program created \$1.71.⁴

CORPORATIONS ALREADY BENEFIT FROM INCENTIVES



Nebraska already gives up well over \$200M a year through its corporate incentives programs, through which companies can lower their tax liability - and even claim their employees payroll withholding - by meeting certain conditions. This put us 15th nationally in terms of having the most generous incentives programs in 2020, according to Good Jobs First.⁵

CORPORATE INCOME TAX REFERENCES

¹ Analysis by the Institute on Taxation and Economic Policy.

² Id.

³ Congressional Budget Office, "Statement of Douglas W. Elmendorf, Director: Policies for Increasing Economic Growth and Employment in 2012 and 2013," Nov. 15, 2011, accessed at https://www.cbo.gov/sites/default/files/cbofiles/attachments/11-15-Outlook_Stimulus_Testimony.pdf on April 5, 2022.

⁴ Economy.com, "Written Testimony of Mark Zandi, Chief Economist and Co-Founder, Moody's Analytics: Bolstering the Economy: Helping American Families by Reauthorizing the Payroll Tax Cut and UI Benefits," Feb. 7, 2012, accessed at <https://www.economy.com/mark-zandi/documents/2012-02-07-JEC-Payroll-Tax.pdf> on March 26, 2021.

⁵ Good Jobs First, "Tax Break Tracker," accessed at <https://www.goodjobsfirst.org/taxbreaktracker> on April 5, 2022.