

Richardson County Commissioners Oppose Tax Plan

Richardson County Commissioners are urging the Legislature's Revenue Committee to kill a tax bill proposed by Governor Dave Heineman. Among other things, LB 970 would end the inheritance tax, which funds many functions of county government in the state.

Richardson County Commissioners submitted a letter to the committee stating their opposition to the proposal.

In their letter, commissioners say that eliminating the inheritance tax would leave few revenue sources other than local property taxes to fund the operations of county government.

Without inheritance tax funds, commissioners say the county's roads would deteriorate due to lack of funds to purchase rock and major road equipment; the county would not be able to purchase reliable ambulances for volunteer ambulance squads or emergency vehicles for law enforcement; and ability of the county to reduce the property tax rate would be eliminated.

Additionally, the letter says that inheritance tax funds are used for emergency repairs such as those incurred by the county during recent floods, and for the removal of the abundance of snow the county received in the winter of 2009-10.

Commissioners say the fund also serves as a reserve the county uses to cover payroll and other immediate expenses when tax collections are low, as well as for local matching funds for economic development organizations in the county.

The letter says that with the current fiscal year budget of Richardson County, the property tax levy would have to be increased approximately four-and-a-half-cents to meet budget needs – while the current levy is at a little over 43-cents, or less than two cents under the 45-cent levy limit.

Commissioners say that with increases in fuel, road aggregate, and insurance, further reductions or elimination of services would have to be made along with increases in the tax levy to 45-cents. That, they say, would have a trickle down effect in the local economy.

County officials from around the state testified against LB 970 last week. They say if passed, the bill would cost counties 40-to-45 million dollars. First District State Senator Lavon Heidemann commented on the bill during his weekly update. (play audio :27)

The bill would lower corporate and individual income tax rates in addition to eliminating the inheritance tax. Governor Heineman testified in favor of the bill before the Revenue Committee last Thursday. He said the plan is necessary to relieve economic pressure on taxpayers in the state.