



## Nebraska Ranks 29th on State Business Tax Climate Index

*2014 tax reform pushes state five places ahead of last year*

**Washington, DC (Oct 28, 2014)**—Nebraska has the 29th best tax climate in the U.S. according to the latest edition of the [State Business Tax Climate Index](#), released this morning by the nonpartisan Tax Foundation. The Cornhusker State’s ranking rose five places from its 34th place ranking last October, the second largest improvement in this year’s report (North Carolina improved from 44th to 16th best).

Since last year, Nebraska has made improvements to its corporate and individual income tax systems by repealing the individual alternative minimum tax, indexing its individual income tax brackets for inflation, and reforming its corporate net operating loss carryforwards.

“Nebraska is a middle-of-the-pack state that has made some positive first steps towards improving the state’s competitiveness,” said Tax Foundation Economist and Manager of State Projects Scott Drenkard. “There is serious conversation about substantial reform happening next legislative session, and we are anxious to see Cornhuskers accomplish more.”

The report, now in its 11<sup>th</sup> edition, measures how well structured each state’s code is by analyzing over 100 tax variables in five different categories: corporate, individual income, sales, property, and unemployment insurance taxes. States are punished for overly complex, burdensome, and economically harmful tax codes, but are rewarded for transparent and neutral tax codes that do not distort business decisions. A state’s ranking can rise or fall significantly based not just on its own actions, but on the changes or reforms made by other states.

The report’s key findings include:

- The 10 most competitive states are: Wyoming (#1), South Dakota (#2), Nevada (#3), Alaska (#4), Florida (#5), Montana (#6), New Hampshire (#7), Indiana (#8), Utah (#9) and Texas (#10).
- The 10 least competitive states are: New Jersey (#50), New York (#49), California (#48), Minnesota (#47), Vermont (#46), Rhode Island (#45), Ohio (#44), Wisconsin (#43), Connecticut (#42), and Iowa (#41)
- The most notable ranking changes occurred in North Carolina, Nebraska, North Dakota, New York, Wisconsin, Maine, and Kansas (see [state specific press releases](#) for more details).

The goal of the State Business Tax Climate Index is to start a conversation between taxpayers and policymakers about how their states fare against the rest of the country. This report helps

answer the questions: How well is your tax code structured? How competitive is your state compared to the rest of the country? Are businesses in your state spending too much time complying with onerous tax provisions? Are you double taxing things you shouldn't?

**Full Report:** [\*2015 State Business Tax Climate Index\*](#)

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