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IMMEDIATE ACTION REQUESTED!

Private School Tax Credit set for Debate Yet Today

If ever there were a more serious threat to the long-term funding stability of Nebraska's public schools, it is LB295.

And if ever there was a more blatant, undisguised handout of tax dollars to the wealthy and to corporations than LB295, we'd be surprised.

LB295 would literally allow the wealthy and those corporations to *make money* by donating to private school scholarship programs. Those profits would come at the expense of millions of dollars in revenue now flowing to Nebraska public education.

The Nebraska Legislature is scheduled to debate LB295 late today and will work late into the evening. **Please contact your senator by [email](#) or [phone](#) to oppose LB295. We estimate that phone calls and emails sent between 3 p.m. and 6 p.m. today would be highly effective and would be received just prior to the start of the debate.**

LB295's voucher scheme is an undisguised, blatant tax credit for wealthy individuals and corporations that donate money to fund scholarships at private schools. This scheme will drain needed funding from Nebraska public schools.

Under scholarship tax credit programs created by LB295, up to \$10 million in state revenue – to start – would provide a tax benefit to those who make donations to private school scholarship-granting organizations (SGOs), which in turn, provide scholarships to students in private K-12 schools.

However, LB295 creates much greater tax benefits for donations to SGOs, as compared to donations to other nonprofits. In fact, the scholarship tax credits can make it possible for some wealthy donors to actually make a profit by way of the tax code.

The new tax credits would divert public dollars that can be used to support and improve public education. Creating a scholarship tax credit now would come at a time when our state's school funding needs are increasing and when state funding of K-12 education has been severely constrained due to budget shortfalls. This dearth of state support leads to a heavy reliance on property taxes to fund schools. Diverting state resources to LB295's scholarship tax credits will make it harder to address state public education needs and will further shift the cost of funding K-12 education onto property taxpayers.

Meanwhile, LB295 proponents falsely claim scholarship tax credits will create savings for the state. In order to generate savings for the state in reduced public school costs, not only would a significant number of students need to switch from public to private schools, but those students who switch would need to be highly concentrated in certain school buildings. A large percentage of public school costs are fixed and not able to be reduced without a large reduction in enrollment. It is highly unlikely the credit would sway enough children to switch to private schools to create savings in the public schools.

Scholarship tax credits like the one proposed in LB 295 stand to divert state revenue at a time when we are experiencing revenue struggles (currently a \$145 million state revenue shortfall). Enacting this measure could force lawmakers to make future cuts to vital services such as public K-12 education or shift more of the load of funding our schools on to property taxpayers.

NSEA is STRONGLY OPPOSED to creating a new tax credit that would reduce state revenue and allow wealthy Nebraskans to turn profits by way of the tax code.

TAKE ACTION TODAY!

Email your Senator Against LB 295:

<http://cqrcengage.com/neane/app/write-a-letter?0&engagementId=430936>

Sign the Petition Against LB 295:

<http://cqrcengage.com/neane/app/sign-petition?1&engagementId=439394>

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Nebraska State Education Association

www.nsea.org
