



EPIC Option Made Simple

EPIC Option Basics

1. Eliminates all Nebraska property, income, inheritance, corporate, and sales taxes.
2. Imposes a Consumption Tax rate on all services and new goods at a rate of 7.5%.
3. There will be no taxes on groceries.
4. Eliminates double taxation.
 - A. Imposes a Consumption Tax only on services and new goods.
 - a. No taxes on used cars.
 - b. No taxes on previously owned homes.
 - B. No Consumption Tax on gas or diesel fuel because fuel is subject to an excise tax.
 - C. No Consumption Tax on insurance premiums because insurance premiums are subject to a premium tax, which is an excise tax.
 - D. No taxes on business-to-business transactions.
 - c. No taxes on a farmer's combine, baler, seed, or fertilizer.
 - d. No taxes on a business's tools, office equipment, or shelving.
5. The Consumption Tax is fair to all Nebraskans.
 - A. Currently 60% of Nebraskans pay 100% of the taxes.
 - a. Now all Nebraskans will contribute.
 - b. No special tax exceptions for Government agencies and non-profits.
6. EPIC Option will be achieved in two steps.
 - A. Step 1: Vote of the people to amend the Nebraska State Constitution on the November, 2024 ballot.
 - a. So Nebraska cannot collect property, income, inheritance or corporate taxes, and can only collect excise taxes and the consumption tax.
 1. Ballot Language: "A Constitutional Amendment to restrict governmental entities in Nebraska to imposing only retail consumption taxes and excise taxes. This amendment will **eliminate Nebraska personal and real property taxes; personal and corporate income taxes; sales taxes and inheritance taxes.**"
 - b. So groceries cannot be taxed.
 2. Ballot Language: "A Constitutional Amendment allowing the Legislature to authorize governmental entities to impose consumption taxes on services and new goods with the limitation that only **grocery items purchased for off-premises consumption may be exempted from the tax.**"
 - e. Once voted into the Nebraska State Constitution, these amendments can only be changed by another vote of the people and cannot be changed by the Legislature.
 - B. Step 2: Vote of the Legislature.
 - a. On the implementation of EPIC Option with Legislative Bill LB79, Amendment AM314.
 1. States no Consumption Tax on used items such as vehicles, houses, and clothes.
 2. States no Consumption Tax on business-to-business transactions.
 3. Defines the Consumption Tax percentage rate.
 4. Defines how the Consumption Tax is collected and distributed.
 - b. This allows changes to be made which benefit Nebraskans.
 - C. As the economy increases and the tax revenue grows due to the EPIC Option, the Legislature can vote to decrease the Consumption Tax percentage rate.

**Find locations to sign the petition, to place EPIC Option on the 2024 Ballot,
at EPICoption.org or call 402-992-6098.**





EPIC Option Made Simple

EPIC Option Benefits

When creating this document the final rate of 7.5% had not been determined, so for the examples below 7.8% was used.

1. More spending money for all Nebraskans.
 - A. The money the State currently takes from you for property and income tax will become extra money in your pocket that you have to purchase items for you and your family.
 - B. Since there is no property tax, your spending money will never decrease due to an increase in your property tax.
 - C. Since there is no state income tax, if you get a raise, the State of Nebraska will not take one penny of your raise.
2. Housing rent will eventually decrease.
 - A. Currently when the amount of property tax raises on a rental property, then landlords raise the rent so their profit does not decrease.
 - B. Initially there will be a consumption tax rate increase in rent. But to stay competitive with other landlords and to keep renters, landlords will decrease rent. When landlords decrease rent, they will still have the same, if not more profit, because they no longer include property tax in your monthly rent.
3. Nebraska can keep prices of goods and services lower than border states, such as Iowa.
 - A. This will increase the amount of taxes collected in Nebraska as people shop in Nebraska.
4. It will make it harder for large corporations to purchase Nebraska farmland.
 - A. There will be less land available for them to purchase.
 - a. Farmers and Ranchers will not have to sell their land due to the inability to pay the ever-increasing property taxes.
 - b. Those that inherit land can afford to keep it because there will be no property tax or inheritance tax.
 - c. Nebraska residents will want to purchase more land because there is no property tax they must continually pay once the land is paid for.
5. The EPIC Option will not cause medical insurance rates to increase and out-of-pocket medical expense changes will be minimal.
 - A. Health insurance premiums will not be assessed the consumption tax because there is already an excise tax on insurance premiums and the EPIC Option eliminates double taxation.
 - B. The portion the insurance company pays of medical bills will not be assessed the consumption tax because there are no taxes on business-to-business transactions. So, the consumption tax will not be a factor for insurance premiums being increased.
 - C. The only portion that will be assessed the consumption tax is the out-of-pocket expenses. So if the maximum out-of-pocket per year for an individual is \$3,600.00 currently, they will pay \$3,880.80, once the consumption tax is added. With the amount of extra spending money individuals will have, due to not having to pay property tax or income tax, this is a great trade-off.
 - D. For someone on Medicaid, the copays are \$1.00, \$2.00, or \$3.00 except for inpatient admission which is \$15.00. So, the copay would be \$16.17 for inpatient hospital admission once the consumption tax is added, which is a very minimal amount.

**Find locations to sign the petition, to place EPIC Option on the 2024 Ballot,
at EPICoption.org or call 402-992-6098.**





EPIC Option Made Simple

EPIC Option Calculations

When creating this document the final rate of 7.5% had not been determined, so for the examples below 7.8% was used.

1. If your current property tax is \$3,000.00 and your income tax is \$1,200.00 annually, you will have an extra \$4,200.00. That would be \$350.00 of extra spending money every month. As you spend that at a 7.8% consumption rate, you will be taxed \$27.30. Which means you will have \$327.60 worth of goods and services to show for your money; currently you have nothing because the state just steals it away from you.
2. If your current property tax is \$3,000.00 and your income tax is \$1,200.00, you would need to spend \$53,846.15 on new goods and service to pay \$4,200.00 of taxes at a rate of 7.8% under the EPIC Option. Under the current tax system, the State just takes the \$4,200.00 and you have no goods or services to show for it.
3. If a refrigerator that wholesales for \$1,500.00 and is sold in an appliance store in both Iowa and Nebraska.
 - A. The stores in each state will add 10% for profit.
 - B. Iowa will add another percentage to hide property taxes, income taxes, and business input taxes; for this example, we will only increase by 10%. Then Iowa will charge another 7% in sales tax. The final price paid in Iowa is $(\$1,500.00 + \$150.00 + \$150.00 = \$1,800.00) \times 7\% = \$1,926.00$.
 - C. Nebraska will not add an extra percentage to hide property taxes, income taxes, and business inputs because there are none under EPIC Option. Nebraska will only charge the 7.8% consumption tax and the 10% for their profit. $(\$1,500.00 + \$150.00 = \$1,650.00) \times 7.8\% = \$1,778.70$.
 - D. That makes the refrigerator \$147.30 cheaper in Nebraska than it is in Iowa.
 - E. The same thing will happen with clothes, new cars, and restaurants; now imagine the amount of savings this will be for a family. Definitely worth a drive to Nebraska!
4. A new house purchased for \$300,000.00 with the consumption tax assessed would be \$323,400.00, which is an increase of \$23,400.00. A previously lived in house purchased for \$300,000.00 will have no consumption tax assessed.
 - A. Once the new or previously owned house is purchased, there is no property tax to pay because under EPIC Option there is no property tax.
 - B. Under the current Nebraska tax system, a homeowner must keep paying property tax year after year, even if their home is paid for.
 - a. Below is what a homeowner would pay, just in property taxes under the current tax system. This is assuming the property taxes are \$4,500.00 per year, and the property valuation or property taxes did not increase even though there is an increase almost every year.

On a new home purchased for \$300,000.00, everything after 5.2 years is a SAVINGS. On a previously owned home, EVERYTHING IS A SAVINGS and money in your pocket to purchase goods and services for you and your family!

5.2 years – \$23,400.00	10 years – \$45,000.00
6 years – \$27,000.00	11 years – \$49,500.00
7 years – \$31,500.00	12 years – \$54,000.00
8 years – \$36,000.00	13 years – \$58,500.00
9 years – \$40,500.00	14 years – \$63,000.00

Find locations to sign the petition, to place EPIC Option on the 2024 Ballot, at EPICoption.org or call 402-992-6098.





EPIC Option Made Simple

EPIC Option Consumption Rate

1. Beacon Hill Institute Study

The proposed consumption tax rate is based on the study completed by Beacon Hill Institute, a world-renowned and nonpartisan economic public policy research center. The entire Beacon Hill Study can be found at EPICOption.org

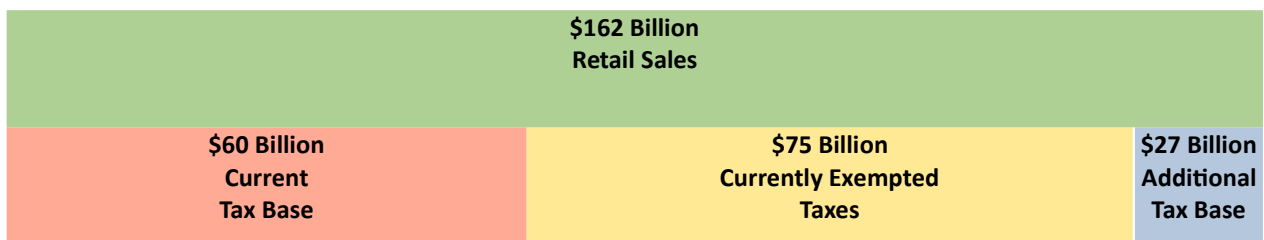
The Beacon Hill Institute Nebraska State Tax Analysis Modeling Program (NESTAMP) is a dynamic model that captures the effects on economic activity from tax rate changes. NE-STAMP allows the Beacon Hill Institute (BHI) to provide estimates of the fiscal and economic effects of the proposed tax change.

In this study, BHI evaluates the replacement of all state taxes on income, the state sales use tax, and all local property taxes with a revenue-neutral, broad-based consumption tax in Nebraska. The revenue-neutral consumption tax rates required to replace existing revenue while exempting groceries starts at **7.23** percent in Calendar Year (CY) 2026 and falls to **6.52** percent in CY 2030. NESTAMP generated the following results:

- A. The state population would increase by 1.9 percent in CY 2026 and by 2.3 percent in CY 2030;
- B. Personal consumption would increase by 3.8 percent in CY 2026 and by 7.2 percent in CY 2030;
- C. Net employment (the increase in private sector jobs less the decrease in public sector jobs) would increase by 47,154 jobs in CY 2026 and by 58,065 jobs in CY 2030;
- D. Investment would increase by \$8.6 billion in CY 2026 and \$10.2 billion in CY 2030;
- E. Real (inflation-adjusted) disposable income would increase by \$9.6 billion in CY 2026 and by \$12.7 billion in CY 2030; and
- F. State real (inflation-adjusted) Gross Domestic Product would increase by \$23.3 billion in CY 2026 and by \$32.2 billion in CY 2030.

2. Nebraska State Annual Budget and retail sales on products and services, projected to January 1, 2026.

- A. Nebraska State Annual Budget, including local and county budgets is \$11.7 Billion.
- B. Projected Retail Sales on Products and Services is \$162 Billion.
 - a. \$60 Billion from the current tax base, from currently taxed products and services. (37% of the \$162B)
 - b. \$75 Billion additional tax base, from currently exempted products and services. (46% of the \$162B)
 - c. \$27 Billion from additional tax base, from the dynamic effects calculated in the Beacon Hill Study. (17% of the \$162B)
- C. \$162 Billion from Retail Sales $(\$60 + \$75 + \$27) \times 7.23\% = \11.7 Billion for the Nebraska State Annual Budget.



Find locations to sign the petition, to place EPIC Option on the 2024 Ballot, at EPICOption.org or call 402-992-6098.





EPIC Option Made Simple

EPIC Option Distributions (Page 1)

The proposed process for collecting and distributing the consumption tax is in Legislative Bill LB79 / AM314. LB79 and AM314 can be read in their entirety at nebraskalegislature.gov or EPICoption.org.

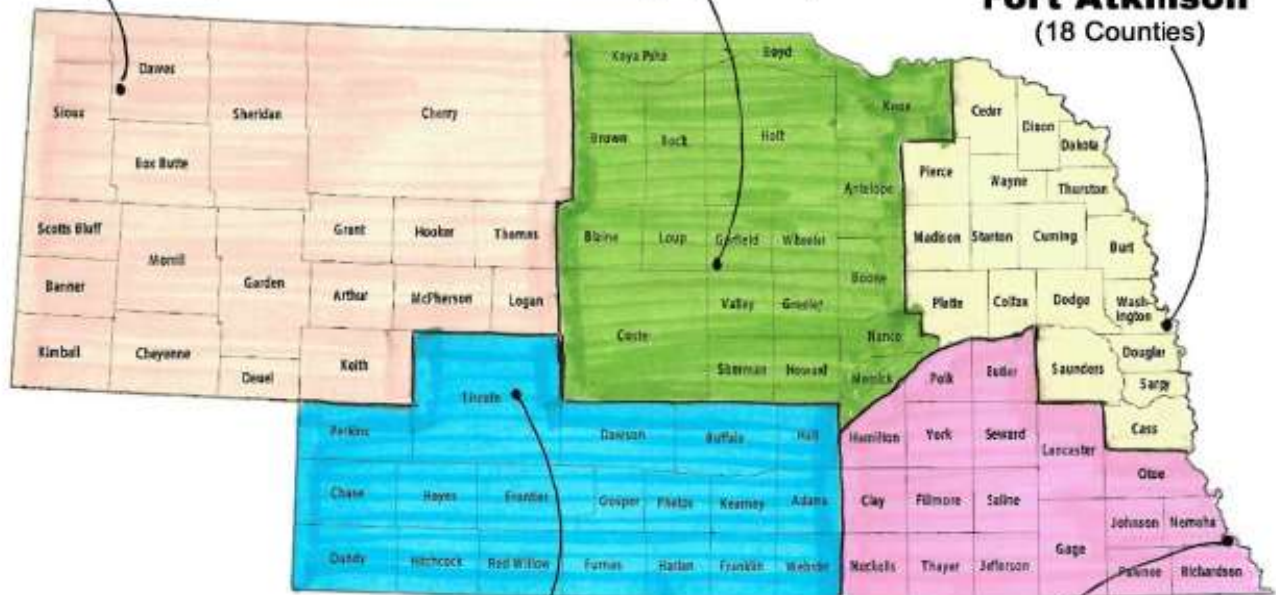


Budget Equalization and Review Board Regions & School Equalization and Review Board Regions

Fort Robinson
(19 Counties)

Fort Hartsuff
(19 Counties)

Fort Atkinson
(18 Counties)



Fort McPherson
(19 Counties)

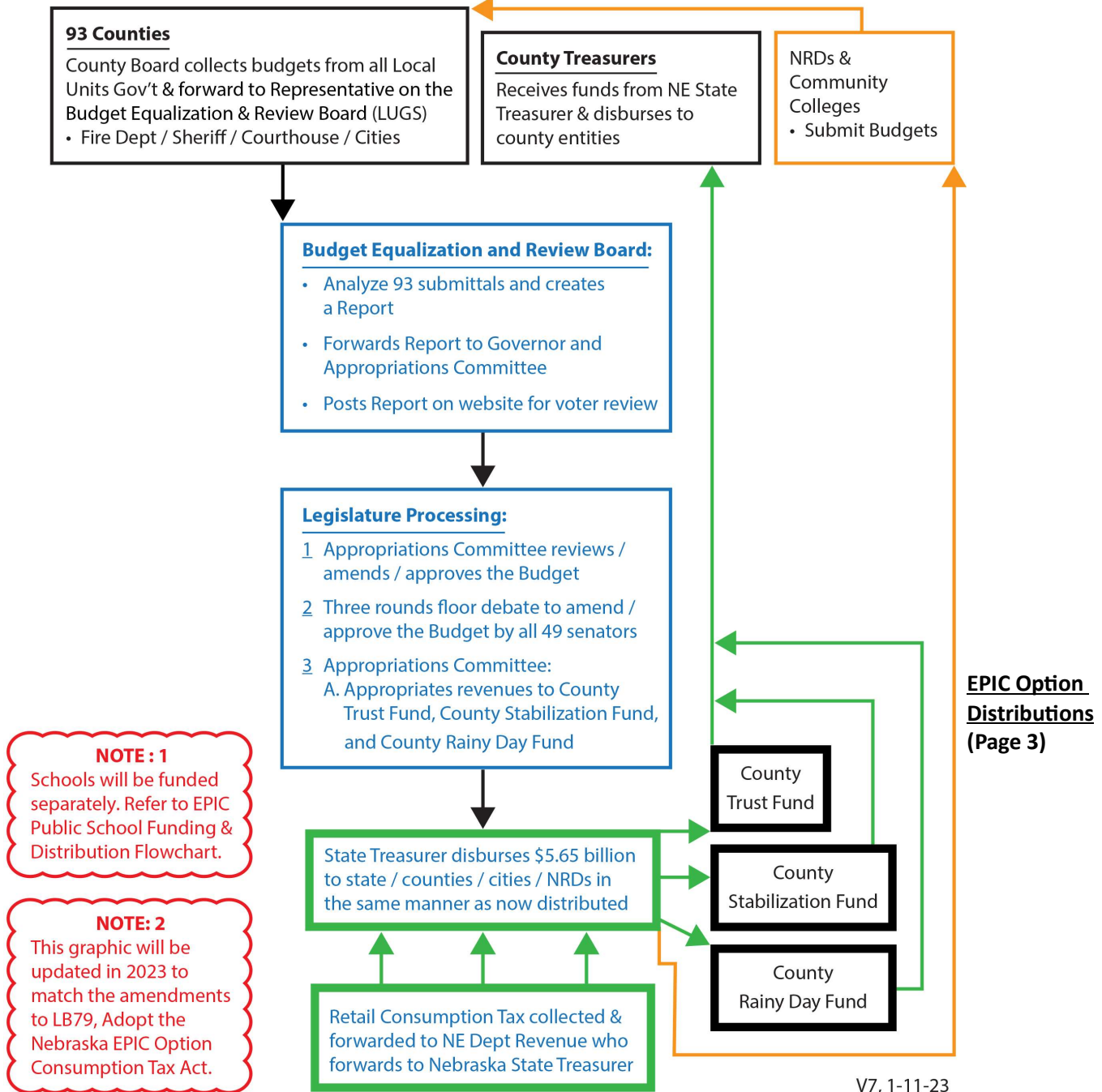
St. Deroin Fort
(18 Counties)

Find locations to sign the petition, to place EPIC Option on the 2024 Ballot, at EPICoption.org or call 402-992-6098.



The EPIC County Funding & Distribution Flowchart

Locally Created Budgets Forwarded to NEBR Legislature

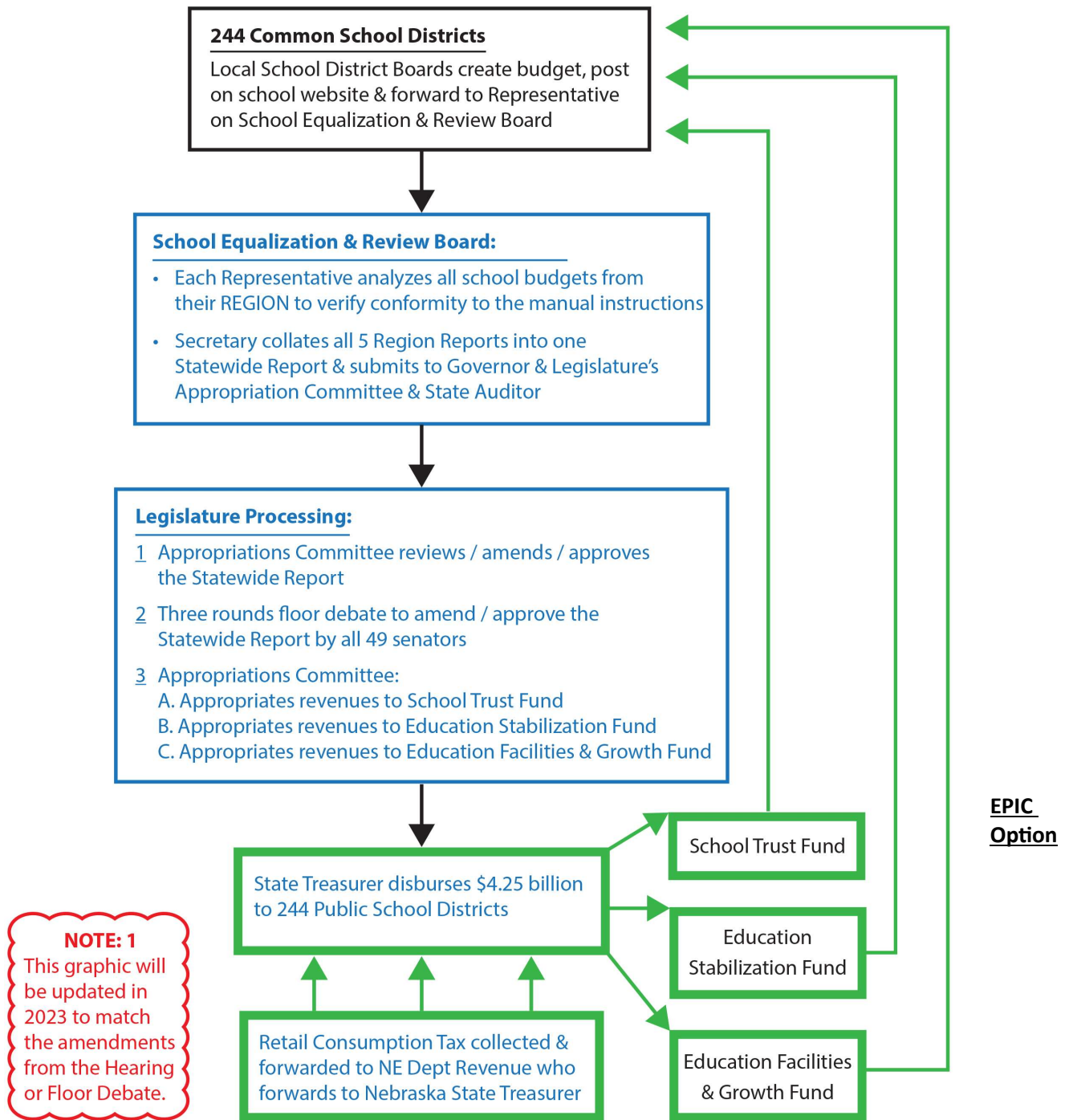


Find locations to sign the petition, to place EPIC Option on the 2024 Ballot, at EPICoption.org or call 402-992-6098.



The EPIC Public School Funding & Distribution Flowchart

Locally Created School Budgets Forwarded to NEBR Legislature



V4, 1-11-23

Find locations to sign the petition, to place EPIC Option on the 2024 Ballot, at EPICoption.org or call 402-992-6098.





EPIC Option Made Simple

Distributions (Page 4)

County Trust Fund

- Budget Equalization and Review Board consisting of five regional representatives are appointed by county commissioners of their region.
- Funds all 93 county budgets.
- Funds the budgets of all local units of government.
- State Treasurer pays directly to each county's bank account.
- County Treasurer pays directly to the bank accounts of each local unit of government.

County Stabilization Fund

- Each county receives additional revenue based upon their Special Expenditure Needs Distributions (SEND) scores
- SEND Scores include:
 - Basic services score
 - Roads score
 - Hospitals score
 - An overall SEND Score

County Rainy Day Fund

Those counties experiencing losses or damages due to fires, natural disasters, or other kinds of calamities and disasters would receive relief for the rebuilding of structures or for renting temporary workspace from this fund.

School Trust Fund

- School Equalization and Review Board consisting of 5 representatives are appointed by the county commissioners of their region.
- Funds all school district budgets.
- School budgets are based upon a five-year average of budgets plus a two percent increase.
- State Treasurer pays directly to the bank account of each school district.

Education Stabilization Fund

- Each School District receives additional revenue based upon their Stabilization Scores.
- Stabilization Scores include:
 - Special Student Needs score
 - Transportation score
 - Technology score
 - Textbook score
 - Poverty score
 - An overall stabilization score

Education Facilities & Growth Fund

- Funds construction of new buildings and facilities.
- Funds maintenance of current buildings and facilities.
- Funds new programs.
- Funds student growth.

**Find locations to sign the petition, to place EPIC Option on the 2024 Ballot,
at EPICoption.org or call 402-992-6098.**

