



# EPIC Option Made Simple

## EPIC Option Benefits

The consumption tax rate will be under 8%. At the creation of this document, the final calculations have not been completed and the examples below used 7.8%.

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 have to 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 with the exception of 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.

