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Is Nebraska's Sales Tax Becoming More Regressive?

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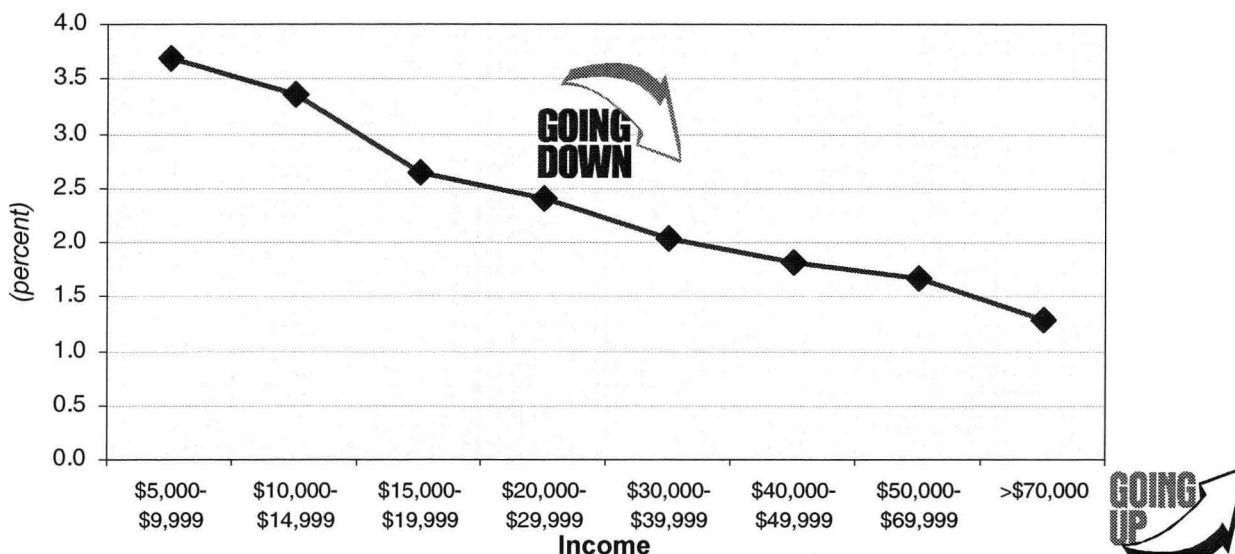
According to a recent study by the Bureau of Business Research (BBR), a high-income Nebraska family pays only 1.3 percent of its income in sales taxes under the current state sales tax base¹. Conversely, a low-income family pays nearly three times more—3.7 percent of income—in sales taxes (Figure 1). Interestingly, the tax incidence does not improve when the base is broadened to include certain services. If services are taxed, a high-income family's tax burden—the percent of income paid in sales taxes—nearly doubles to 2.3 percent, but the low-

income family still pays nearly three times as much—6.5 percent.

Economists generally agree that sales taxes are regressive—the percent of income paid in taxes (average tax rate) decreases as income increases. Nevertheless, they are popular revenue generators because, only a few cents or dollars are paid on individual purchases throughout the year. The total amount is not apparent like income taxes that are tallied annually. However, total sales taxes become a significant burden on low-income families.

¹This study was conducted prior to the 2002 Legislature's broadening of the sales tax base that will be in effect October 1, 2002.

Figure 1
Regressivity of Nebraska's Sales Tax Base—Sales Taxes Paid as Percent of Income, 1999-2000



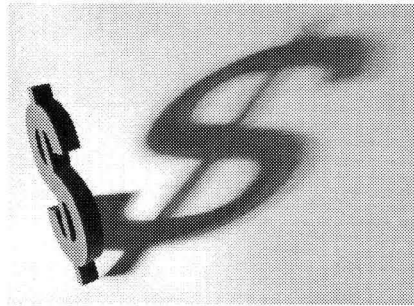
Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 1999-2000 (Midwest Region)

Nebraska's sales tax was examined to reveal whether it has become more regressive because of the current tax base, the changing consumption patterns of higher income families, and the increase in Internet sales.

Regressivity of the Nebraska Sales Tax

Under the current Nebraska sales tax system, a tax is applied to the sale of physical goods and products, and generally excludes services. Figure 1 shows the regressivity of the Nebraska sales tax base—the lower percent of income spent as incomes rise.

Families with low to moderate incomes pay noticeably larger percents of their incomes in sales taxes, thus bearing the tax burden. A family with an annual income of \$7,750 pays approximately \$290 in sales taxes, while a family with an income of \$104,250 pays roughly \$1,400. The actual amount paid by the high-income family is greater than the low-income family, but the tax as a percent of income is less—nearly three times less. A high-income family pays 1.3 percent of income in sales taxes, while the low-income family pays 3.7 percent. Hence, the current Nebraska sales tax base is fundamentally regressive.



Adding Services to the Sales Tax Base

Would the burden be more equitable if the tax base were to be broadened to include services? First, how families change their consumption profiles as their incomes increase must be examined. There is a general notion that families tend to spend relatively more on services than on goods as their incomes increase. Supposedly, they demand more housekeeping services, gardening and lawn care services, and dry cleaning services. Under the current tax base these services are not taxed. Therefore, the perception is that a greater burden is placed on low-income families who are less likely to purchase these services. As a result, the current Nebraska sales tax base is even more regressive.

If this is indeed true, taxing services would reduce the regressivity of the sales tax base, and the tax would be spread more proportionately across the income distribution. However, the study suggests that the percent of expenditures on services does not necessarily increase as incomes rise.

Changing Consumption Patterns

Figure 2 shows the changes in consumption patterns of goods—food at home, food away from home, and household furnishings and equipment—by income level during the 1999-

2000 period. The percent spent on food at home decreased as income increased from 10.8 percent of income to 5.8 percent. The percent spent on food away from home, on the other hand, only slightly increased—0.9 percent. Household furnishings and equipment increased from 3.0 percent to 4.6 percent. Since food at home is exempt from sales taxes, the regressivity of the Nebraska sales tax is reduced. Nevertheless, high-income households spend more on food away from home and household furnishings and equipment, but not proportionately. As a result, consumption of these items as a percent of income decreases as incomes increase—regressivity.

Figure 3 shows the consumption patterns of selected

services—household operations, medical services, and personal care services—by income level during the same period. Household operations consist of personal services and other household expenses. Personal services, include baby-sitting, day care, and care of the elderly. Other household expenses include housekeeping services, gardening and lawn care services, storage, and rental and repair of household appli-

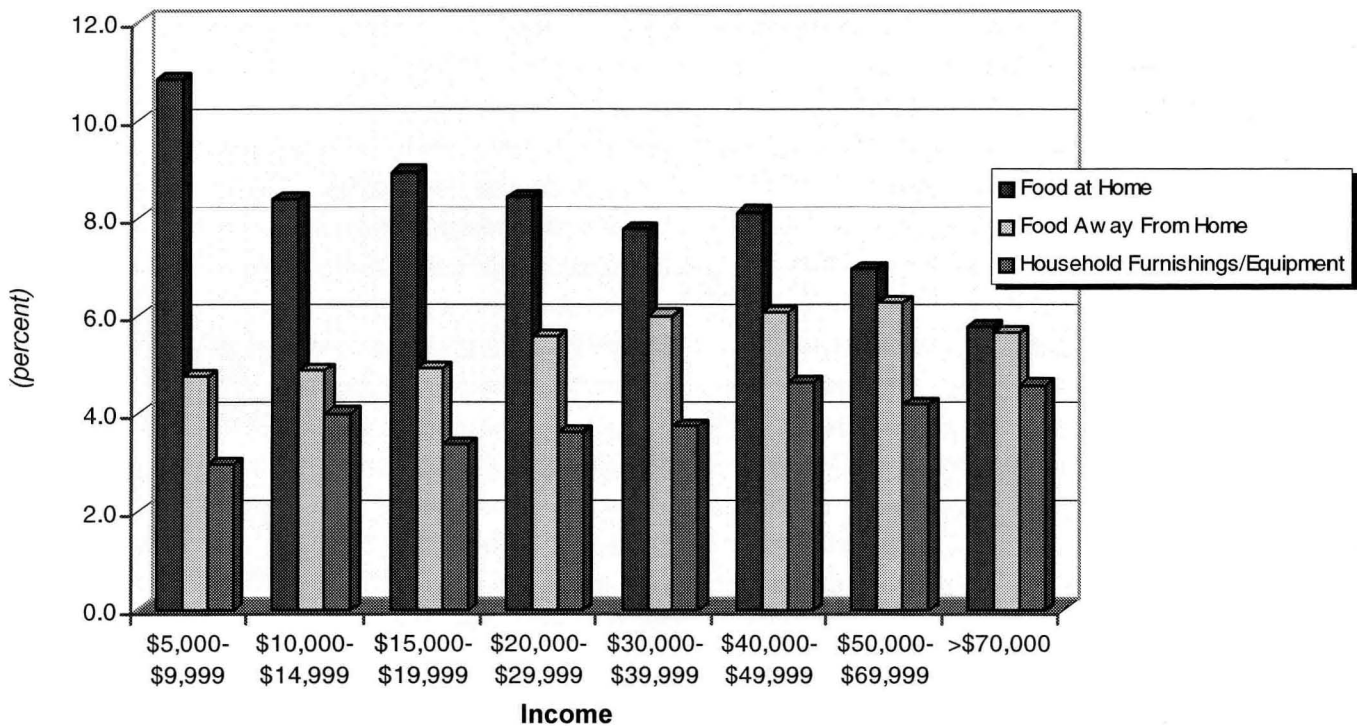
ances and equipment. Personal care services consist of haircuts, manicures, and pedicures, for example.

The common belief is that demands for services increase as incomes rise, but the data tell a different story. As a percent of income, expenditures by high-income households on household operations were only 0.2 percent greater than low-income households in the 1999-2000 period. On the other hand, the percent of income spent on medical services by low-income households was 1.8 percent, while high-income households spent a smaller share, 1.2 percent. Low-income households also spent a larger portion of their income on personal care service, 1.5 percent of income, while high-income households spent 1.0 percent of income on these similar services.

The relative amount of expenditures for household operations and medical services changed very little, regardless of income levels. Notably, the percent of income spent on personal care services decreased as incomes rose. Overall, families earning between \$5,000 and \$10,000 annually spent 6.4 percent of their incomes on services, while families with incomes of \$70,000 or more spent 5.2 percent on services.

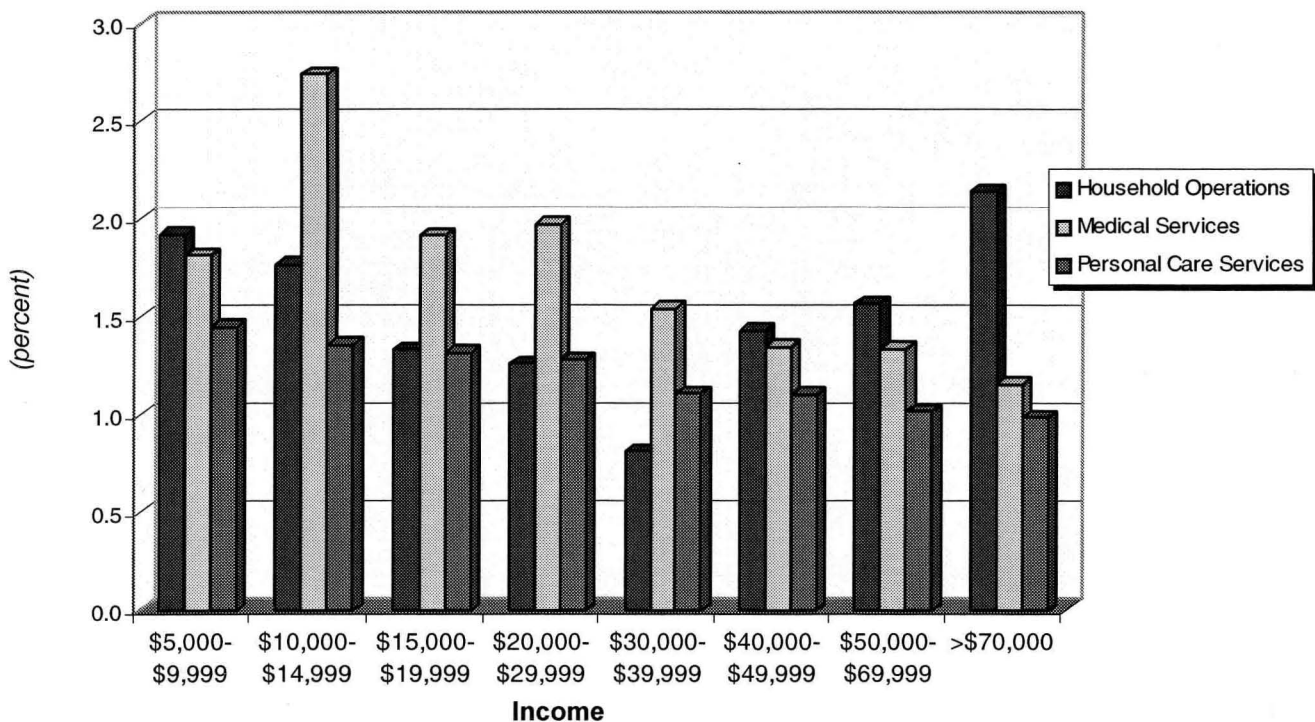
The consumption share of services did not increase across the income distribution. Both low- and high-income households consumed approximately the same percent of

Figure 2
Changes in Consumption Patterns of Goods as Percent of Income, 1999-2000



Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 1999-2000 (Midwest Region)

Figure 3
Changes in Consumption Patterns of Services as Percent of Income, 1999-2000



Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 1999-2000 (Midwest Region)

services relative to their incomes. It was, however, the demand for different types of services that changed at the various income levels. In relative terms, low-income families may have required more household rental equipment, but less garden and lawn care services, while the reverse may have been true for high-income families. The net result is balanced, and the proportion of income spent on total services is nearly constant across the income distribution.

Taxing Services

Since the overall demand for services did not change appreciably as incomes rose, broadening the tax base to include services is unlikely to impact the high-income families who, supposedly, spend relatively less of their income on taxable goods and more on currently nontaxable services. Taxing services would not balance the tax burden. Rather, it would make the sales tax no less regressive. A scenario depicting the regressivity of the Nebraska's current tax base, coupled with a five percent tax on certain services, excluding personal and medical services is illustrated in Figure 4. A high-income family would pay 2.3 percent of its income in sales taxes, while a low-income family would pay almost three times as much—6.5 percent.

Internet Sales

The Nebraska sales tax base could become more regressive with the advent of increased Internet purchases. This is dependent on whether low- or high-income families make such purchases. If moderate- to high-income families buy more over the Internet, they are further spending outside of the Nebraska sales tax base, increasing its regressivity.

According to a summary of the Internet Tax Freedom Act, state and local governments are prohibited from taxing Internet access, as well as imposing tax collection requirements on out-of-state retailers, by stretching the definition of nexus (presence in the jurisdiction). In other words, a retailer does not have to collect sales tax if it has no physical presence in the state. The buyer, on the other hand, may be legally required to pay a use tax. The Nebraska use tax is applied to the same base as the sales tax, but is levied on purchases outside the state that will be used in Nebraska. However, enforcement of the use tax is limited.

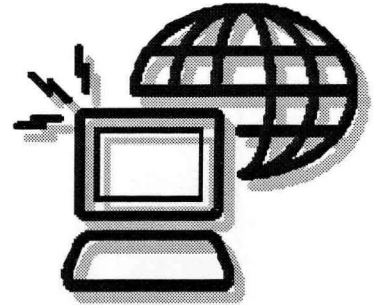
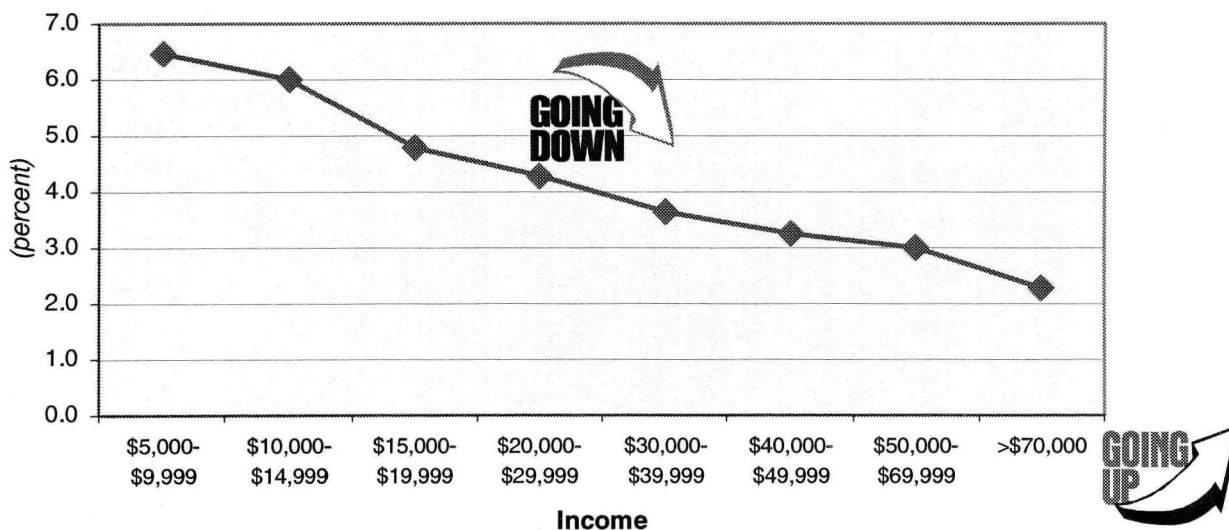


Figure 4
Regressivity of Nebraska's Sales Tax Coupled with Tax on Selected Services, Excluding Personal and Medical Services



Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 1999-2000 (Midwest Region)

Data from the National Telecommunications and Information Administration (NTIA) show that 19.4 percent of U.S. households with annual incomes ranging between \$10,000 and \$15,000 have access to the Internet. In contrast, 4.4 times as many—85.4 percent—of U.S. households with incomes over \$75,000 have access to the Internet. Further, 26.1 percent of low-income Internet users, compared to 49.1 percent of high-income Internet users purchase products or services on line. Goods are purchased via the Internet by high-income households nearly twice as often as by low-income households.

Income is a strong determinant of who has access to the Internet. With low-income households less likely to have access to the Internet, they are less able to avoid sales taxes on purchases than high-income households. Low-income

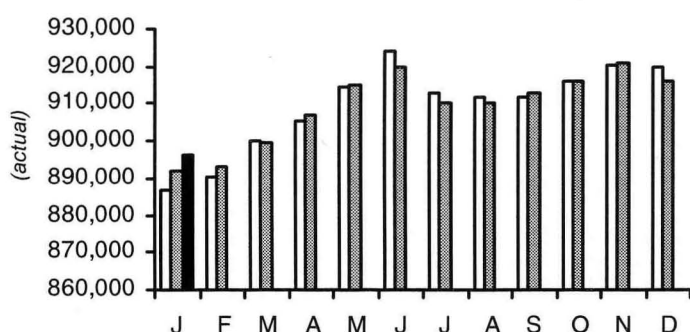
households are more likely to use traditional shopping methods and, as a result, pay larger shares of income in sales taxes. Consequently, high-income households escape the tax burden more often than low-income households.

If these Internet trends at the national level are similar in Nebraska, then high-income Nebraska households with greater access to the Internet would purchase more items via the Internet than those with low-income. As a result, low-income households would bear more of the sales tax burden, further increasing the regressivity of the Nebraska sales tax base.

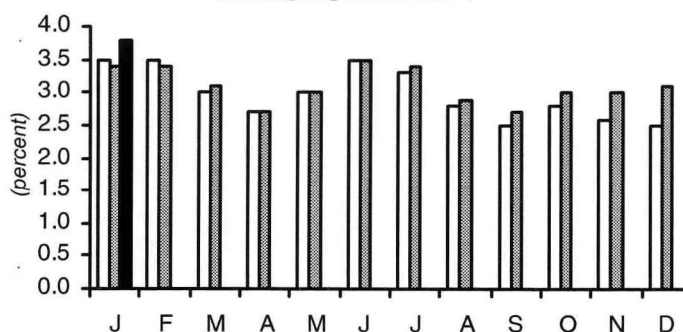
Perhaps before further changes in sales taxes are passed, reexamination of who will ultimately bear the burden should be considered.

Nebraska Stats

Total Nonfarm Wage & Salary Employment 2000 2001 2002

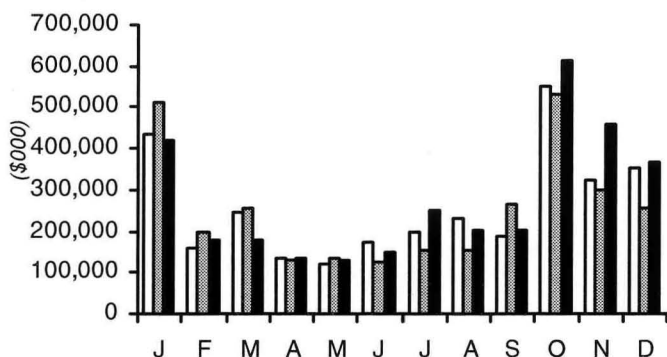


Unemployment Rate

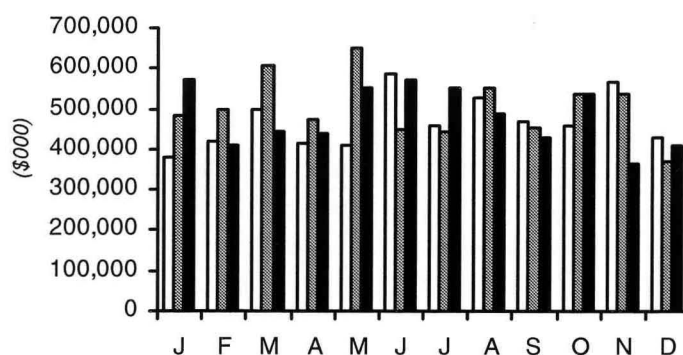


Note: Monthly data through March 2001 are benchmarked. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available.

Cash Receipts—Crops 1999 2000 2001



Cash Receipts—Livestock



Net Taxable Retail Sales* for Nebraska Cities (\$000)

	December 2001 (\$000)	YTD (\$000)	YTD % Change vs Yr. Ago		December 2001 (\$000)	YTD (\$000)	YTD % Change vs Yr. Ago
Ainsworth, Brown	2,280	20,896	7.0	Kenesaw, Adams	440	3,555	24.0
Albion, Boone	2,330	20,456	1.2	Kimball, Kimball	2,526	22,809	1.6
Alliance, Box Butte	8,079	71,053	-0.3	La Vista, Sarpy	15,541	129,322	1.4
Alma, Harlan	828	7,510	7.9	Laurel, Cedar	513	4,721	3.2
Arapahoe, Furnas	759	9,772	-1.8	Lexington, Dawson	9,026	94,312	2.7
Arlington, Washington	379	3,009	8.9	Lincoln, Lancaster	279,416	2,714,032	1.4
Arnold, Custer	339	3,149	-10.4	Louisville, Cass	489	5,730	-10.2
Ashland, Saunders	1,578	16,904	2.6	Loup City, Sherman	669	5,881	3.1
Atkinson, Holt	1,461	12,782	0.3	Lyons, Burt	641	5,561	1.4
Auburn, Nemaha	3,128	29,903	1.6	Madison, Madison	1,096	10,279	1.4
Aurora, Hamilton	2,889	28,955	0.2	McCook, Red Willow	13,411	121,359	-13.3
Axtell, Kearney	280	1,129	41.8	Milford, Seward	936	11,929	11.7
Bassett, Rock	551	6,086	3.7	Minatare, Scotts Bluff	238	1,924	-0.4
Battle Creek, Madison	895	9,334	11.1	Minden, Kearney	2,443	23,123	4.1
Bayard, Morrill	561	5,475	-0.9	Mitchell, Scotts Bluff	824	6,984	-3.1
Beatrice, Gage	16,907	151,243	4.2	Morrill, Scotts Bluff	574	6,304	-3.9
Beaver City, Furnas	224	1,556	-7.3	Nebraska City, Otoe	7,280	75,447	-0.5
Bellevue, Sarpy	32,916	304,625	21.4	Neligh, Antelope	1,498	16,776	3.0
Benkelman, Dundy	893	7,793	8.3	Newman Grove, Madison	371	3,732	5.1
Bennington, Douglas	716	7,639	4.4	Norfolk, Madison	44,486	394,254	2.4
Blair, Washington	8,338	91,078	8.8	North Bend, Dodge	591	6,458	3.3
Bloomfield, Knox	827	7,263	11.8	North Platte, Lincoln	32,905	305,361	3.3
Blue Hill, Webster	534	5,341	2.4	ONEILL, Holt	5,607	54,776	0.5
Bridgeport, Morrill	1,279	13,702	0.1	Oakland, Burt	722	7,345	2.1
Broken Bow, Custer	4,635	46,440	0.0	Ogallala, Keith	6,412	70,606	3.2
Burwell, Garfield	1,413	12,050	15.2	Omaha, Douglas	643,389	6,212,245	2.5
Cairo, Hall	406	3,803	-0.3	Ord, Valley	3,051	26,440	5.4
Central City, Merrick	2,326	22,755	6.8	Osceola, Polk	540	6,097	-0.1
Ceresco, Saunders	1,749	15,556	-3.2	Oshkosh, Garden	655	5,663	6.4
Chadron, Dawes	7,136	76,268	27.6	Osmond, Pierce	413	4,884	-5.8
Chappell, Deuel	603	5,851	-1.2	Oxford, Furnas	550	5,192	-2.9
Clarkson, Colfax	583	4,944	-2.4	Papillion, Sarpy	11,313	94,925	2.6
Clay Center, Clay	390	2,776	-17.4	Pawnee City, Pawnee	565	3,831	3.2
Columbus, Platte	24,997	254,308	-0.4	Pender, Thurston	967	9,620	2.9
Cozad, Dawson	3,518	36,454	-1.8	Pierce, Pierce	1,167	8,917	7.6
Crawford, Dawes	810	7,342	-0.2	Plainview, Pierce	1,046	8,569	0.7
Creighton, Knox	1,454	13,329	7.3	Plattsmouth, Cass	4,152	42,815	1.6
Crete, Saline	3,644	36,597	6.5	Ponca, Dixon	410	3,521	12.7
Crofton, Knox	464	5,245	12.8	Ralston, Douglas	3,323	42,128	5.7
Curtis, Frontier	501	4,822	10.2	Randolph, Cedar	691	5,267	7.1
Dakota City, Dakota	518	5,414	-3.2	Ravenna, Buffalo	835	7,321	3.1
David City, Butler	1,843	20,194	3.9	Red Cloud, Webster	954	8,642	5.3
Deshler, Thayer	439	3,839	1.4	Rushville, Sheridan	859	5,456	0.1
Dodge, Dodge	415	3,491	7.9	Sargent, Custer	447	3,050	3.7
Doniphan, Hall	618	8,996	-19.3	Schuyler, Colfax	2,653	24,003	4.4
Eagle, Cass	348	4,767	1.2	Scottsbluff, Scotts Bluff	32,041	282,008	3.0
Elgin, Antelope	779	5,839	13.4	Scribner, Dodge	580	5,386	10.4
Elkhorn, Douglas	2,594	28,813	2.5	Seward, Seward	5,929	57,657	-0.8
Elm Creek, Buffalo	385	4,620	2.6	Shelby, Polk	460	4,743	-2.6
Elwood, Gosper	396	3,441	-6.3	Shelton, Buffalo	623	5,806	10.6
Fairbury, Jefferson	3,929	36,830	-5.3	Sidney, Cheyenne	12,651	120,923	2.3
Fairmont, Fillmore	198	2,108	-10.5	South Sioux City, Dakota	10,278	102,796	7.2
Falls City, Richardson	3,733	32,401	3.4	Springfield, Sarpy	367	5,737	-25.2
Franklin, Franklin	749	7,121	1.7	St. Paul, Howard	1,727	17,406	11.0
Fremont, Dodge	29,238	291,616	0.6	Stanton, Stanton	941	8,060	6.4
Friend, Saline	819	6,823	9.8	Stromsburg, Polk	1,105	11,981	-3.9
Fullerton, Nance	717	6,881	5.2	Superior, Nuckolls	2,168	19,491	3.2
Geneva, Fillmore	1,664	18,114	4.1	Sutherland, Lincoln	550	4,923	-2.6
Genoa, Nance	464	4,046	9.8	Sutton, Clay	1,416	10,623	1.7
Gering, Scotts Bluff	5,327	52,911	2.3	Syracuse, Otoe	1,585	14,698	3.5
Gibbon, Buffalo	1,088	10,583	4.3	Tecumseh, Johnson	1,200	11,388	8.1
Gordon, Sheridan	2,512	20,270	2.8	Tekamah, Burt	1,360	13,276	6.0
Gothenburg, Dawson	3,042	30,762	1.9	Tilden, Madison	408	3,292	-3.2
Grand Island, Hall	72,771	667,031	1.6	Utica, Seward	368	4,514	17.6
Grant, Perkins	1,360	15,830	18.6	Valentine, Cherry	6,089	64,259	14.6
Gretna, Sarpy	3,386	37,696	5.6	Valley, Douglas	679	18,675	-3.1
Hartington, Cedar	2,340	21,244	12.4	Wahoo, Saunders	3,015	30,312	5.9
Hastings, Adams	26,348	254,653	-0.8	Wakefield, Dixon	477	4,429	1.6
Hay Springs, Sheridan	534	4,736	1.6	Wauneta, Chase	556	3,983	0.9
Hebron, Thayer	1,520	13,801	-15.0	Waverly, Lancaster	1,239	11,812	13.3
Henderson, York	914	8,694	4.6	Wayne, Wayne	4,509	48,285	5.4
Hickman, Lancaster	409	3,062	-3.5	Weeping Water, Cass	694	7,941	4.6
Holdrege, Phelps	5,460	55,630	2.2	West Point, Cuming	5,484	59,297	24.0
Hooper, Dodge	475	4,846	-1.5	Wilber, Saline	768	5,967	3.8
Humboldt, Richardson	418	3,971	2.1	Wisner, Cuming	737	8,014	0.9
Humphrey, Platte	947	9,868	9.6	Wood River, Hall	451	5,372	10.9
Imperial, Chase	2,560	23,026	4.9	Wymore, Gage	495	5,462	3.8
Juniata, Adams	456	3,248	11.8	York, York	10,718	121,796	-1.5
Kearney, Buffalo	49,560	451,895	3.8				

*Does not include motor vehicle sales. Motor vehicle net taxable retail sales are reported by county only.

Source: Nebraska Department of Revenue

Net Taxable Retail Sales for Nebraska Counties (\$000)

	Motor Vehicle Sales				Other Sales					Motor Vehicle Sales				Other Sales			
	December		YTD	% Chg. vs Yr. Ago	December		YTD	% Chg. vs Yr. Ago		December		YTD	% Chg. vs Yr. Ago	December		YTD	% Chg. vs Yr. Ago
	2001 (\$000)	YTD (\$000)	2001 (\$000)		YTD (\$000)	2001 (\$000)	YTD (\$000)			2001 (\$000)	YTD (\$000)						
Nebraska	249,247	2,895,836	11.2	1,929,883	18,112,963	1.8	Howard	859	10,658	-1.6	2,423	22,233	8.9				
Adams	3,623	45,497	2.7	27,600	264,488	-0.4	Jefferson	1,199	14,147	3.9	5,382	50,332	-2.6				
Antelope	1,270	13,810	12.1	3,208	28,399	7.2	Johnson	1,009	7,312	20.8	1,819	15,595	5.5				
Arthur	90	923	14.8	(D)	(D)	(D)	Kearney	1,137	12,860	5.0	2,911	25,719	4.6				
Banner	145	2,071	15.3	(D)	(D)	(D)	Keith	1,273	17,044	6.7	7,177	77,827	3.1				
Blaine	95	1,322	-8.8	(D)	(D)	(D)	Keya Paha	220	2,203	10.2	371	1,888	20.4				
Boone	1,122	12,116	16.1	3,224	27,030	1.7	Kimball	827	8,306	3.9	2,598	23,375	1.6				
Box Butte	1,822	20,778	11.5	8,581	75,280	0.2	Knox	1,392	14,851	7.7	3,982	34,583	6.8				
Boyd	289	3,631	16.6	995	7,310	3.9	Lancaster	32,165	374,363	9.1	284,409	2,759,370	1.7				
Brown	357	6,073	-0.9	2,548	22,332	5.9	Lincoln	5,134	57,460	10.4	34,616	318,291	3.2				
Buffalo	5,482	70,862	11.1	53,101	486,157	4.0	Logan	233	2,243	26.1	(D)	(D)	(D)				
Burt	1,355	14,776	14.9	3,169	31,018	10.2	Loup	120	1,557	38.3	(D)	(D)	(D)				
Butler	1,109	14,128	12.2	2,815	26,069	3.0	McPherson	56	1,275	5.4	(D)	(D)	(D)				
Cass	4,802	48,860	10.0	8,661	81,821	1.1	Madison	4,604	52,312	8.5	47,402	421,772	2.5				
Cedar	1,306	16,244	1.6	4,183	35,600	10.6	Merrick	1,235	13,294	3.6	3,164	31,705	6.5				
Chase	966	9,157	-2.2	3,151	27,297	2.9	Morrill	623	9,765	6.8	1,971	19,689	0.3				
Cherry	1,199	12,884	14.9	6,530	67,089	13.9	Nance	508	6,589	10.0	1,346	11,642	8.7				
Cheyenne	1,346	18,158	-1.4	13,325	125,115	2.4	Nemaha	1,084	13,487	14.4	3,676	33,768	2.0				
Clay	1,081	12,794	1.3	3,433	26,019	-0.5	Nuckolls	670	8,404	10.2	3,223	30,470	7.7				
Colfax	1,742	15,700	5.0	4,128	34,708	2.6	Otoe	2,046	26,056	7.5	9,657	95,953	0.6				
Cuming	2,053	18,566	6.4	6,978	73,887	18.2	Pawnee	516	5,477	19.1	1,049	6,565	4.7				
Custer	2,003	21,965	12.3	6,563	60,677	-0.4	Perkins	763	7,498	3.7	1,735	18,942	16.3				
Dakota	2,133	30,670	10.0	11,667	116,102	6.7	Phelps	1,918	20,077	10.5	6,127	59,823	3.1				
Dawes	1,055	12,739	16.8	8,025	83,692	24.5	Pierce	1,018	12,707	5.4	2,829	23,554	2.2				
Dawson	3,281	39,785	0.0	16,351	167,527	1.4	Platte	5,647	53,701	5.9	27,060	272,364	0.0				
Deuel	255	4,022	2.1	1,297	13,530	1.8	Polk	914	10,358	-10.7	2,383	24,635	-2.2				
Dixon	1,174	11,316	24.0	1,352	9,697	5.2	Red Willow	1,626	19,710	1.8	13,940	125,509	-13.0				
Dodge	5,059	59,667	13.0	31,740	315,635	0.9	Richardson	1,308	14,641	11.5	4,636	39,365	3.3				
Douglas	66,579	758,575	16.4	652,758	6,330,559	2.5	Rock	205	3,832	9.1	623	6,295	2.8				
Dundy	321	5,260	16.7	973	7,971	7.7	Saline	1,662	21,576	8.3	5,882	54,217	6.3				
Fillmore	1,014	12,610	3.1	2,899	29,707	1.9	Sarpy	21,434	246,256	21.0	67,817	622,796	11.7				
Franklin	453	6,644	12.8	1,188	10,384	2.6	Saunders	3,816	38,373	9.5	8,577	79,848	3.0				
Frontier	542	6,636	13.1	978	9,018	5.9	Scotts Bluff	4,853	60,963	13.4	39,205	351,231	2.6				
Furnas	697	10,020	1.0	3,135	28,458	2.7	Seward	2,259	26,954	8.1	7,841	77,741	2.5				
Gage	2,452	36,745	12.2	19,121	170,844	5.8	Sheridan	730	10,752	6.5	4,282	34,341	2.3				
Garden	332	4,296	7.6	943	8,217	4.0	Sherman	564	6,060	19.9	1,030	7,821	2.5				
Garfield	268	3,056	9.5	1,413	12,050	15.2	Sioux	390	3,524	3.6	193	1,574	-6.3				
Gosper	357	4,818	16.9	575	4,370	-1.8	Stanton	980	10,704	22.6	1,183	10,739	10.8				
Grant	78	1,896	8.6	445	3,735	6.9	Thayer	986	10,219	5.3	2,966	24,827	-9.1				
Greeley	263	4,553	7.4	1,071	8,752	7.6	Thomas	132	1,674	2.6	431	3,721	8.8				
Hall	6,644	83,878	2.6	74,617	689,455	1.3	Thurston	573	5,833	11.0	1,239	11,539	2.8				
Hamilton	1,634	16,530	-2.7	3,625	33,403	0.2	Valley	776	8,213	15.6	3,350	29,198	4.1				
Harlan	414	7,242	16.5	1,249	10,670	8.1	Washington	3,370	41,594	15.1	9,673	101,569	8.0				
Hayes	330	2,651	10.4	(D)	(D)	(D)	Wayne	1,237	14,220	11.6	4,905	50,365	5.5				
Hitchcock	393	5,975	-4.5	1,164	8,355	3.3	Webster	472	6,764	3.2	1,731	15,753	4.1				
Holt	1,926	19,736	-1.0	8,363	76,125	0.2	Wheeler	190	2,191	21.2	228	1,082	-21.2				
Hooker	65	1,358	-2.2	444	4,951	-0.8	York	2,206	24,757	5.5	12,328	135,481	-1.7				

*Totals may not add due to rounding
(D) Denotes disclosure suppression

Source: Nebraska Department of Revenue

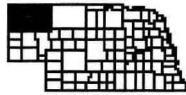
Note on Net Taxable Retail Sales

Users of this series should be aware that taxable retail sales are not generated exclusively by traditional outlets such as clothing, discount, and hardware stores. While businesses classified as retail trade firms account for, on average, slightly more than half of total taxable sales, sizable portions of taxable sales are generated by service establishments, electric and gas utilities, wholesalers, telephone and cable companies, and manufacturers.

Regional Nonfarm Wage and Salary Employment* 1999 to January** 2002

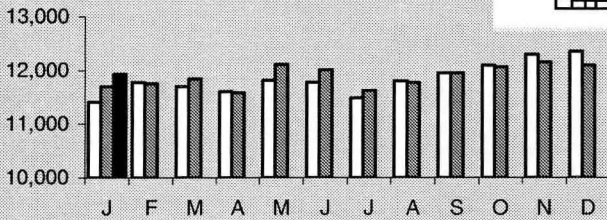
2000 2001 2002

Northwest Panhandle

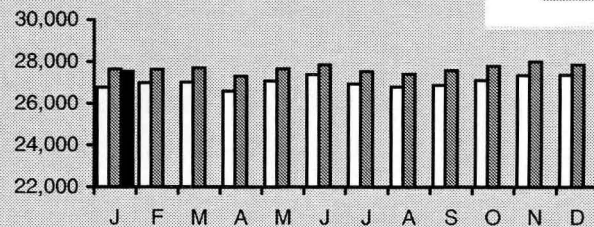
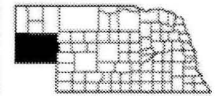


Note to Readers

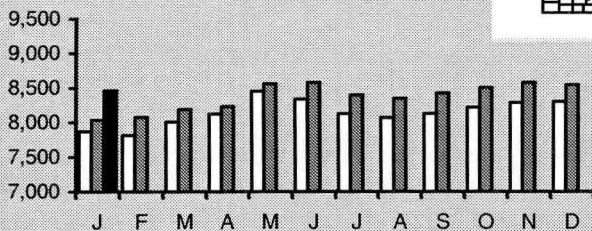
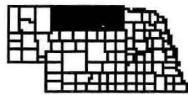
The charts on pages 8 and 9 report nonfarm employment by place of work for each region.



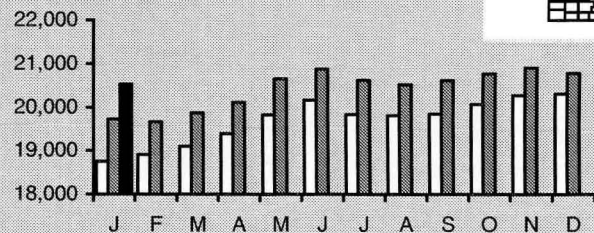
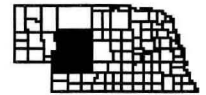
Southwest Panhandle



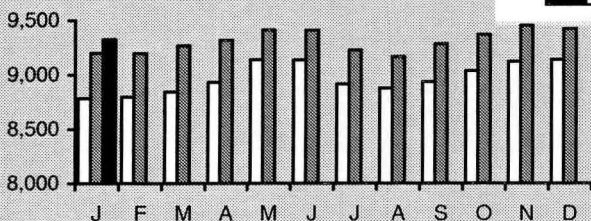
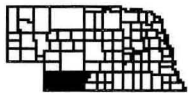
North Central



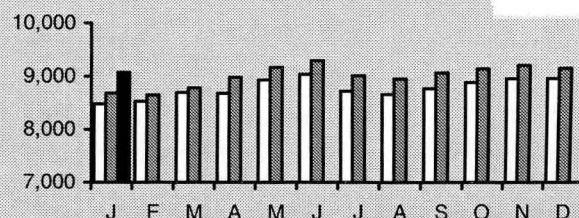
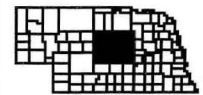
West Central



Southwest Central



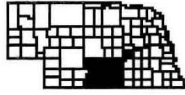
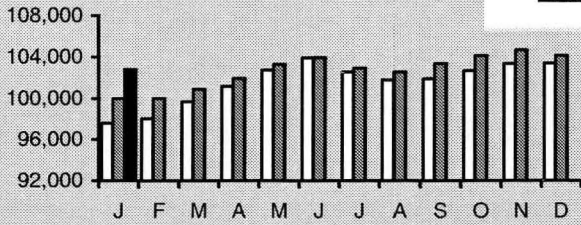
East Central



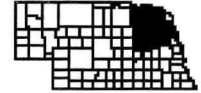
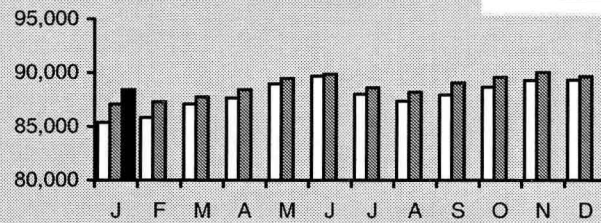
Regional Nonfarm Wage and Salary Employment* 1999 to January** 2002

2000 2001 2002

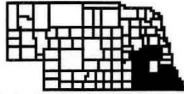
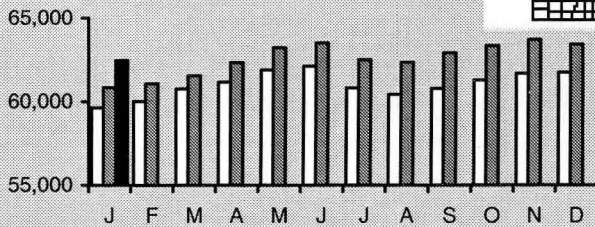
Southeast Central



Northeast

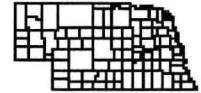
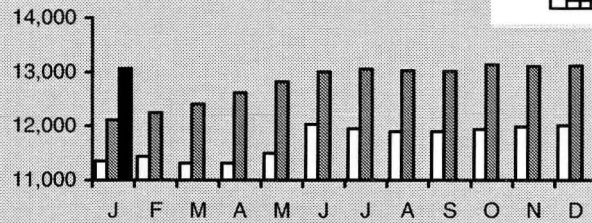


Southeast



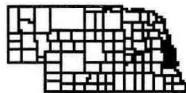
Sioux City MSA

Nebraska portion only

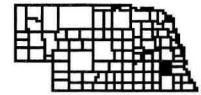
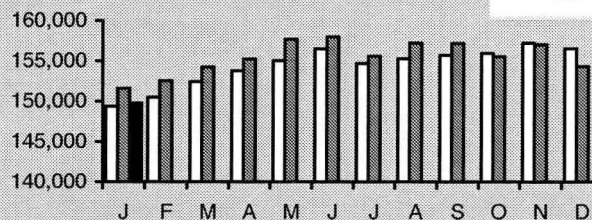


Omaha MSA

Nebraska portion only



Lincoln MSA



*By place of work

**Current month data are preliminary and subject to revision

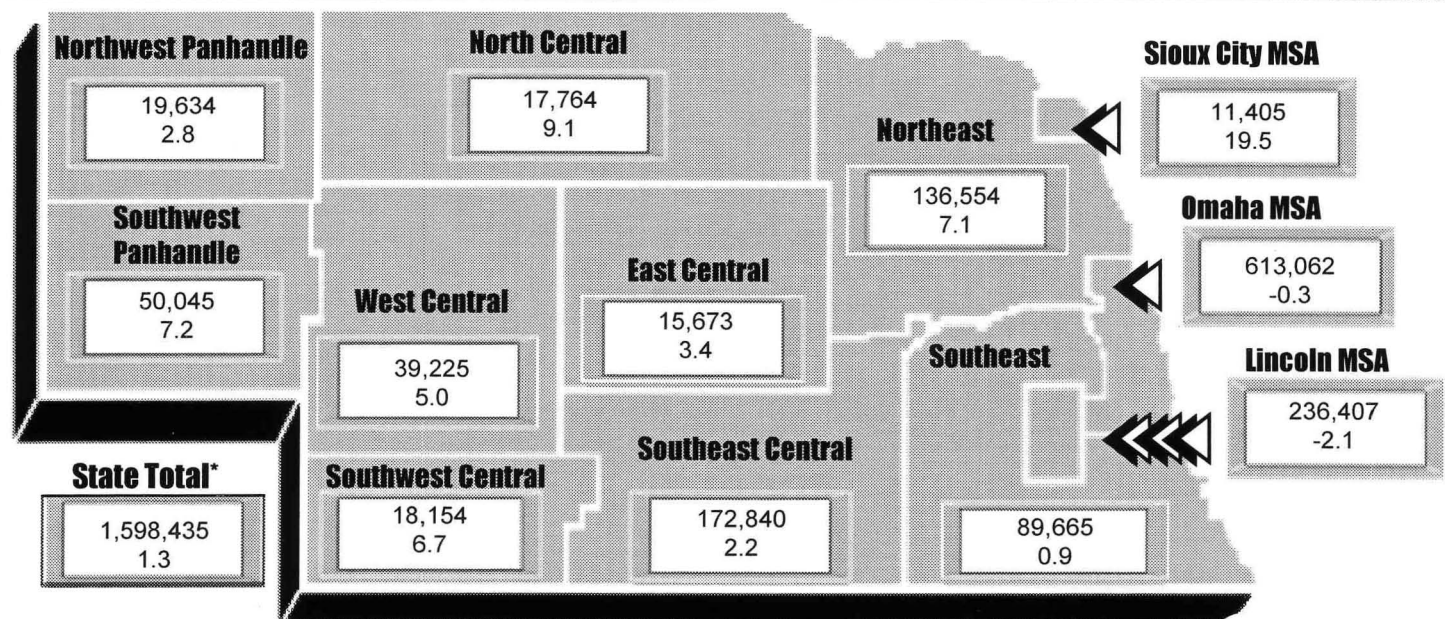
***Previously, other than Nebraska data were included in the Omaha and Sioux City MSA

Note: Monthly data through March 2001 are benchmarked. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available.

Source: Nebraska Department of Labor, Labor Market Information - Kathy Copas

January 2002 Regional Retail Sales (\$000)

YTD Change vs Yr. Ago



*Regional values may not add to state total due to unallocated sales
Source: Nebraska Department of Revenue

State Nonfarm Wage & Salary Employment by Industry*

	January 2002
Total	896,244
Construction & Mining	39,306
Manufacturing	114,056
Durables	52,315
Nondurables	61,741
TCU**	56,771
Trade	212,648
Wholesale	53,950
Retail	158,698
FIRE***	62,613
Services	255,634
Government	155,216

*By place of work

**Transportation, Communication, and Utilities

***Finance, Insurance, and Real Estate

Source: Nebraska Department of Labor, Labor Market Information

Consumer Price Index

Consumer Price Index - U*
(1982-84 = 100)
(not seasonally adjusted)

	March 2002	% Change vs Yr. Ago	YTD % Change vs Yr. Ago (inflation rate)
All Items	178.8	1.5	1.3
Commodities	149.4	-0.9	-1.3
Services	208.0	3.1	3.1

*U = All urban consumers

Source: U.S. Bureau of Labor Statistics

Inflation Rate

1.3

State Labor Force Summary*

	January 2002
Labor Force	943,141
Employment	906,893
Unemployment Rate	3.8

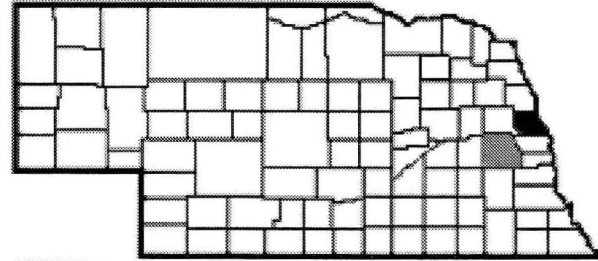
*By place of residence

Source: Nebraska Department of Labor, Labor Market Information

Note: Monthly data through March 2001 are benchmarked. Data for April-December 2001 are estimates until benchmarked in early 2003. All estimates are the most current revised data available. Labor force data for 2000 and 2001 will be revised.

County of the Month

Washington Blair - County Seat



Next County of Month

License plate prefix number: 29

Size of county: 391 square miles, ranks 89th in the state

Population: 18,780 in 2000, a change of -10.0 percent from 1990

Per capita personal income: \$28,500 in 1999, ranks 4th in the state

Net taxable retail sales (\$000): \$143,580 in 2001 a change of 9.2 percent from 2000; \$143,163 from January through December of 2001, a change of 10.0 percent from the same period the previous year.

Unemployment rate: 2.6 percent in Washington County, 3.0 percent in Nebraska in 2000

	State	Washington County
Nonfarm employment (2000)¹:	909,543	7,309
(wage & salary)	(percent of total)	
Construction and Mining	5.0	9.7
Manufacturing	13.2	15.8
TCU	6.4	4.3
Wholesale Trade	6.0	2.7
Retail Trade	18.0	17.7
FIRE	6.7	2.7
Services	27.7	25.8
Government	17.0	21.3

Agriculture:

Number of farms: 692 in 1997; 726 in 1992; 826 in 1987

Average farm size: 317 acres in 1997; 314 acres in 1992

Market value of farm products sold: \$92.5 million in 1997 (\$133,736 average per farm); \$77.8 million in 1992 (\$107,198 average per farm)

¹ By place of work

Sources: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, Nebraska Department of Labor, Nebraska Department of Revenue.

bulletin board



Updated County Population Projections Available Soon!!

Recent improvements have enhanced BBR's population projections. Projections for every five years from 2000 to 2020 are being revised to incorporate information from the 2000 Census. The projections model now includes newer fertility and mortality tables, as well as revised data for net migration by county.

The revised projections will be available in five-year age groups on the BBR website in the coming weeks.

BBR maintains data on projections by age in one-year age groups and by gender for use in contract research.

Go to
www.bbr.unl.edu
for the latest
Consumer Price
Index
(CPI)

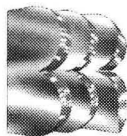
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