

(Neb.)-Tax Plan Pits Heineman Against Business Groups

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LINCOLN, Neb. (AP) - Nebraska Gov. Dave Heineman's tax plan is pitting the Republican governor against many of his traditional allies in the business community, who welcome the conversation but say his specific plan would create financial uncertainty.

Heineman presented his plan to a legislative panel Wednesday, with an argument that it would benefit small businesses, working Nebraskans and veterans.

Some lawmakers challenged the assertion that eliminating the income tax and ending sales-tax exemptions would help the economy. Heineman argued that the risk of not acting outweighs any uncertainty.

Groups that represent retailers, banks and independent businesses have come out against the proposal.

The bill is sponsored by Sens. Beau McCoy and Brad Ashford, both of Omaha.