



Dear Governor Pillen:

On behalf of our members and the undersigned organizations, we write to express our strong opposition to actions which would remove the tax exemption for marketing services in Nebraska. These misguided proposals threaten Nebraska's business community and would harm consumers across the state.

Last year, attempts to impose a digital advertising tax failed - not once, but twice. Nebraskans made their voices clear: they oppose tax hikes that increase costs for families and small businesses alike. Unfortunately, attempts to revive this flawed concept persists, placing an undue burden on Nebraska's job creators and entrepreneurs.

These proposals would increase costs for local businesses that rely on advertising to reach their customers, resulting in higher prices on everyday goods and services for Nebraska families. They would also stifle economic growth, particularly for startups and small businesses that depend on affordable marketing tools to compete effectively in the marketplace.

Advertising is a critical driver of Nebraska's economy. According to a study by The Advertising Coalition, advertising expenditures generate \$38.6 billion in economic activity and support over 193,000 jobs in Nebraska. Taxing this vital engine of growth would not only jeopardize that progress but also disproportionately hurt small businesses that rely on marketing to connect with their communities.

As expressed before, America's economy has been transformed by advances in technology and nowhere has this transformation been more evident than in advertising and marketing. The ability of businesses of all sizes to access online platforms and reach countless potential customers has leveled the playing field. Start-ups, local newspapers, and especially Nebraska farmers and livestock producers have been able to market their products, produce, and cattle with a larger consumer base, allowing their businesses to grow and succeed.

While elected officials in Lincoln should be commended for their dedication to decreasing property taxes and addressing a budget shortfall, this is the wrong approach. In a state deeply rooted in

promoting economic development, this proposed tax runs counter to supporting business investment in the State.

Nebraskans deserve real tax relief, not a tax shift and not policies that increase their cost of living. We urge you to reject proposals to tax advertising and focus instead on meaningful reforms that promote growth and prosperity for all Nebraskans.

Thank you.