



Nebraska Legislature
1445 K St, Lincoln, NE 68508

March 28, 2024

Nebraska: Don't Penalize Consumers and Online Users on Ad Taxes

Dear Senators,

As a consumer advocacy group that champions the benefits of freedom of choice, innovation, and abundance in everyday life, we write you to express concern over recent amendments to the property tax relief proposal found in LB388, specifically [sections 8-12](#) known as the "Advertising Services Tax Act".

The levying of a 7.5% tax on a digital advertising platform – no matter its size – will ultimately have an impact on small businesses that use such platforms, as well as consumers and users who rely on legitimate advertising to be better informed about products and services they enjoy.

The broader goal of property tax relief is a very worthwhile endeavor, and one we support, but including a separate punitive tax in the same bill on those who use digital advertising services would likely do more harm than good. Startups, small businesses, and advocacy groups use digital advertising to reach consumers and citizens alike, and we believe that placing additional burdens would raise the cost and ultimately favor larger businesses that can afford it.

As a consumer advocacy organization that aims to reach and inform consumers on public policy matters, we often use digital advertising tools to spread our message, as we did in Nebraska [around the issue](#) of bans on direct-to-consumer auto sales, disproportionately high vehicle registration fees, and the persistence of corporate welfare that harms consumers and taxpayers.

With a levy on digital advertising, those costs will ultimately be passed on to groups like ours, and will stifle and limit information that consumers can receive about goods and services they prefer, as well as important public policy considerations.

We would urge reconsideration of the amendments in question, and hope you can return to the business of providing a stable and competitive legal environment for the benefit of all Nebraska consumers.

Sincerely yours,

Yaël Ossowski
Deputy Director
Consumer Choice Center

