

Draft

**An Analysis of the Impact of a Local Option Sales Tax on the  
City of Ralston, Nebraska**

A Study Produced for the City of Ralston



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## **An Analysis of the Impact of a Local Option Sales Tax on the City of Ralston, Nebraska**

This study was commissioned by the City of Ralston in the Fall of 2005. The findings of this study remain the sole property of the City of Ralston and cannot be used without approval from Ralston city officials. Any errors, omissions or mis-statements are the responsibility of Goss & Associates.

The purpose of this study is to examine the projected revenues associated with the implementation of a local option sales tax for Ralston, Nebraska. In addition, some consequences of implementing, versus not implementing the sales tax, are outlined.



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# **An Analysis of the Impact of a Local Option Sales Tax on the City of Ralston, Nebraska**

## **Executive Summary**

- **Currently the City of Ralston is the only First-Class city in Nebraska without a local option sales tax. In 2006,**
  - **four Nebraska cities will have a local option sales tax rate of 0.5 percent,**
  - **90 Nebraska cities will have a local option sales tax rate of 1.0 percent, and**
  - **50 Nebraska cities will have a local option sales tax rate of 1.5 percent.<sup>1</sup>**
- **The implementation of a local option sales tax of:**
  - **0.5 percent would produce an estimated \$321,457 in sales tax collections for the City of Ralston.**
  - **1.0 percent would produce an estimated \$635,664 in sales tax collections for the City of Ralston.**
  - **1.5 percent would produce an estimated \$942,622 in sales tax collections for the City of Ralston.**
- **It is estimated that each one percentage point increase in the sales tax rate produces a 2.7 percent reduction in taxable retail sales.**
- **Based on surveys of Ralston shoppers conducted in September and November of 2005:**
  - **less than 22.0 percent knew that Ralston's sales tax rate was less than Omaha's.<sup>2</sup>**
  - **nearly 85 percent of Ralston shoppers live outside the city limits of Ralston.**

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<sup>1</sup>See Appendix, Table A.1 for a list of Nebraska cities with local option sales taxes.

<sup>2</sup>At the time of the survey, Omaha's sales tax rate was 1.5 percent higher than Ralston's.

- it is estimated that approximately 64 percent of local option sales taxes would be paid by non-Ralston residents.<sup>3</sup>
  - It is estimated that 6.8 percent of Ralston's local option sales tax would be paid for by non-Nebraska residents.
  - 79.5 percent of Ralston residents indicated that they would not change their shopping volume in Ralston if a local option sales tax were implemented.
  - 87 percent of non-Ralston residents indicated that they would not change their shopping volume in Ralston if a local option sales tax were implemented.
- The 2006 Ralston budget already assumes sales tax collections of \$450,000. To put this in some perspective this amount is about 10 percent of the operating revenues contained in the proposed budget. In addition, this amount is thirty percent of property tax collections.
  - Relative to expenditure items, the budgeted sales tax revenues represent forty percent of the police budget, and are more than the budget for fire and library combined.
  - The proposed budget has an operating deficit in excess of \$430,000. Without the budgeted sales tax collections this deficit would more than double. If the local option tax were instituted at the 1.5 percent rate, the revenue generated would be sufficient to provide a balanced operating budget.

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<sup>3</sup>It is assumed that spending by shoppers in the survey is proportional to their residence and representation in the sample. This estimate acknowledges that fact that 100 percent of utility taxes and motor vehicle taxes generated by a local option sales tax will be paid by Ralston residents.

# **An Analysis of the Impact of a Local Option Sales Tax on the City of Ralston, Nebraska**

## **Nebraska Law**

Nebraska law allows for municipalities in the state to enact and implement a local option sales taxes. The following represents the relevant portions of the enabling legislation:

“Any city may authorize and impose a local sales and use tax by ordinance after such tax has been approved by a majority of the votes cast in a regular election held within the municipality. The local sales and use tax will be collected and administered by the State Tax Commissioner and remitted to the adopting municipality. The definition of retail sale and all other definitions shall be those prescribed by the Nebraska Revenue Act of 1967, as amended, unless inconsistent with the provisions of the Local Option Revenue Act.”

<http://www.revenue.state.ne.us/legal/regs/localopt.htm>

“A retailer making taxable sales of property or certain enumerated services in any jurisdiction with a local option sales and use tax must collect the 5.5% state sales tax and the appropriate local sales tax, if the taxable property or services are delivered within the boundaries of any of the jurisdictions listed below. Retailers will remit the tax on their Nebraska and City Sales and Use Tax Return, Form 10. Retailers using machine or computer billings are authorized to use a straight percentage for calculating the tax on such billings.”

<http://www.revenue.state.ne.us/question/newsales.htm>

The state sales tax rate is 5.5%. (NEB. REV. STAT. Section 77-2701.02.) Cities have an option to levy up to a 1.5 percent sales tax on retail sales within the city. The base, or transactions taxed, is identical. There must be a majority vote of the voters to approve the tax and the tax is collected by the Revenue Department and remitted to the proper city, less a three percent fee. The fee is deposited in the Municipal Equalization Fund for distribution to municipalities with below average valuation per capita. (NEB. REV. STAT. Section 77-27,142 through 77-27,148.) Counties may also levy a local sales tax of up to 1.5 percent in areas outside any city

with a local sales tax for purposes of funding joint public safety services together with cities and/or fire districts. Counties were granted this authority effective July 1, 1998, but as of this writing only Dakota County has used this authority. Exercise of this authority by a county also requires approval by the majority of those voting at an election.

[http://www.unicam.state.ne.us/app\\_rev/source/narrative\\_salestax\\_history.htm](http://www.unicam.state.ne.us/app_rev/source/narrative_salestax_history.htm)

Table 1 lists categories of Nebraska's incorporated cities by legal classification. Also presented is the number in each category that currently impose a local option sales tax. As indicated, Ralston, with an estimated 2003 population of 6,241, is the only First Class City in the state of Nebraska without a local option sales tax.

**Table 1: Nebraska incorporated cities with local option sales taxes by legal category**

| Category                | Population                              | Number     | Number with local option sales tax |
|-------------------------|---|------------|------------------------------------|
| Metropolitan Class City | More than 300,000 people                | 1          | 1                                  |
| Primary Class City      | More than 100,000 and less than 300,000 | 1          | 1                                  |
| First Class City        | More than 5,000 and less than 100,000   | 31         | 30                                 |
| Second Class City       | More than 800 and less than 5,000       | 115        | 84                                 |
| Village                 | More than 100 and less than 800         | 384        | 28                                 |
|                         | <b>Total</b>                            | <b>532</b> | <b>144</b>                         |

Source: Nebraska Secretary of State

The City Council and Mayor of Ralston are evaluating the financial impacts of implementing a local option sales tax on the City of Ralston. The next section provides estimates of the impact of a local option sales tax on tax collections and on sales.

### **Revenue Estimates**

In order to determine how much revenue might be generated by the implementation of a local option sales tax, several other estimates must be made. First, a baseline estimate of retail sales must be estimated. Second, the impact of the tax on sales must be estimated. Third, the revenues from motor vehicle sales and from utility usage must be estimated. Table 2 shows these estimates for calendar year 2006. Estimates contained in Table 2 come from statistical models listed in Appendix Tables A.1 and A.2.

**Table 2: 2006 sales estimates for alternative local option sales tax rates**

|   | Rate implemented    |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 0.00%               | 0.50%               | 1.00%               | 1.50%               |
| Retail sales less utility and vehicle sales | \$39,630,052        | \$38,951,948        | \$38,273,945        | \$37,595,841        |
| Utility Sales <sup>4</sup>                  | \$5,184,797         | \$5,115,501         | \$5,046,205         | \$4,976,909         |
| Motor vehicle sales                         | \$11,106,224        | \$11,106,224        | \$11,106,124        | \$11,106,124        |
| <b>Total estimated sales</b>                | <b>\$55,921,073</b> | <b>\$55,173,673</b> | <b>\$54,426,274</b> | <b>\$53,678,874</b> |

Source: Statistical models (Tables A.2 and A.3) applied to Nebraska Dept. of Revenue data

**Table 3: Estimated sales tax collections for various local options sales tax rates**

|  | Local option sales tax rate |                  |                  |                  |
|--|-----------------------------|------------------|------------------|------------------|
|  | 0.00%                       | 0.50%            | 1.00%            | 1.50%            |
| Retail sales except vehicles & utilities   | \$0                         | \$242,782        | \$478,987        | \$708,614        |
| Utilities                                  | \$0                         | \$24,810         | \$48,948         | \$72,414         |
| Motor vehicles                             | \$0                         | \$53,865         | \$107,729        | \$161,594        |
| <b>Total Ralston sales tax collections</b> | <b>\$0</b>                  | <b>\$321,457</b> | <b>\$635,664</b> | <b>\$942,622</b> |

The estimate for retail sales in Ralston for 2006 was determined to be almost \$56 million if no local option tax is implemented. This estimate is based on the trend in monthly sales data in Ralston since 1997. Sales tax revenue estimates were computed

<sup>4</sup> Based on Douglas County average of 9.27% of retail sales.

from the sales forecasts at the various possible rates. These revenue estimates are net the state of Nebraska's 3 percent processing fee.

Figure 1 lists actual sales from 1997 to 2004 and estimated sales for 2005 and 2006 for the City of Ralston.

**Figure 1: Estimated Ralston sales with no local option sales tax**

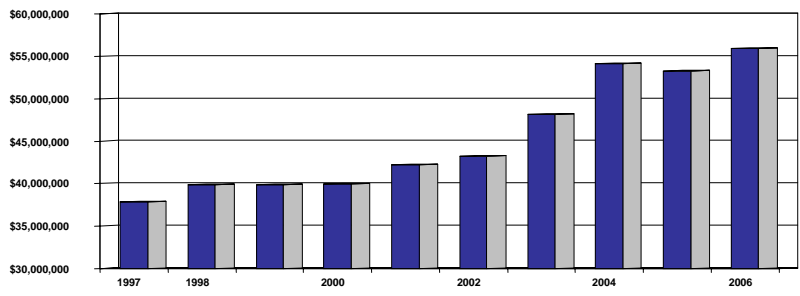
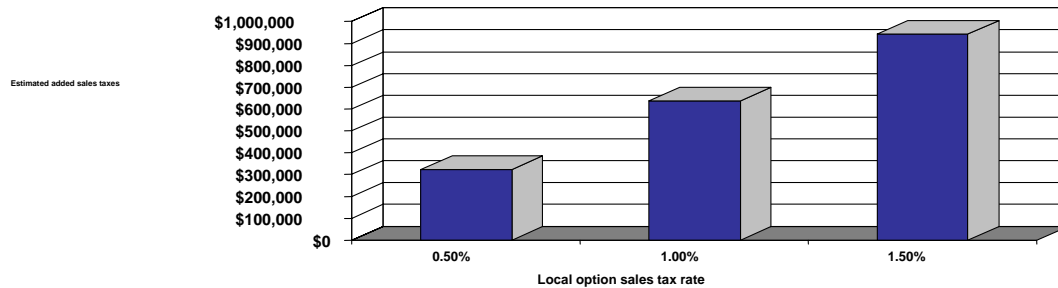


Figure 2 profiles estimated local option sales tax collections for the City of Ralston with no local option sales tax.

**Figure 2: Estimated local option sales tax receipts**



Implementing a local option sales tax will likely reduce retail sales to some degree. This occurs because some of the consumers' budget will go to the sales tax rather than to merchandise. In addition, consumers may change their spending habits from taxable to nontaxable goods. In order to estimate this effect, Nebraska sales and sales tax patterns were analyzed since 1985. Based on this analysis, a 1 percentage point increase in the local option sales tax was estimated to decrease sales by 2.7 percent. This effect was used in estimating retail sales at three possible levels of the sales tax.

The other major component of local option revenues comes from motor vehicle sales. Unfortunately, the state provides data on motor vehicle sales only at the county level. Motor vehicle sales were estimated for Douglas County based on sales trends since 1997. It was then assumed that Ralston's share of the motor vehicle sales would

be proportional to Ralston's share of the Douglas County population (1.3 percent). The various sales tax rates were applied to the sales estimates and the state's processing fee was netted out.

The revenue estimates indicate that a 0.5 percent local option tax would be insufficient to generate the revenue already assumed in the Ralston 2006 budget. A 1 percent option tax rate should be large enough to generate the necessary funds. A 1.5 percent rate, consistent with most of the rest of Douglas County, would generate funds in excess of the budgeted amount and could be used for additional projects or to provide property tax relief.

## Shopping Patterns and Sales Tax Rate Awareness

A survey of 255 Ralston shoppers was done to determine whether shoppers were aware of differential city sales taxes and whether shopping patterns would be affected by the imposition of the local option tax. Additionally the survey was conducted to determine the burden of the sales tax that would likely be borne by non-Ralston Resident.

Of the shoppers surveyed, nearly eighty-five percent resided outside the Ralston city limits. Table 4 profiles Ralston shoppers. As listed, only slightly over fifteen percent of Ralston shoppers resided in the city boundaries of Ralston.

**Table 4: Profile of Ralston Shoppers<sup>5</sup>**

| Residence  | Percent of sample |
|--|-------------------|
| <b>Ralston</b>   | <b>15.3%</b>      |
| <b>Outside of Ralston but inside Nebraska</b>                                  | <b>75.7%</b>      |
| <b>Outside of Nebraska</b>   | <b>9.0%</b>       |
| <b>Source: Goss &amp; Associates survey in September and November of 2005.</b> |                   |

Table 5 provides estimates of the incidence of Ralston’s local option sales tax. Of course, Ralston residences pay 100 percent of the local option sales taxes on utilities and motor vehicles. However, given that only 15.3 percent of Ralston shoppers are Ralston residents, it is estimated that 57.2 percent of total sales taxes collected (includ-

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<sup>5</sup>Survey of 255 randomly selected Ralston shoppers conducted on September 20<sup>th</sup>, September 23<sup>rd</sup>, November 18<sup>th</sup>, November 19<sup>th</sup> and November 20<sup>th</sup> of 2006.

ing utilities and motor vehicles), would be paid by Nebraska residents living outside of Ralston and that 6.8 percent of the additional sales tax burden would be paid by non-Nebraska residents.

**Table 5: Incidence of Ralston local options sales tax**

|   |              |
|---|--------------|
| <b>Percent paid by Ralston residents</b>                        | <b>36.0%</b> |
| <b>Percent paid by non-Ralston residents living in Nebraska</b> | <b>57.2%</b> |
| <b>Percent paid by non-Nebraskans</b>                           | <b>6.8%</b>  |

Table 6 illustrates shoppers’ awareness of the local sales taxes in Ralston. Shoppers were asked whether Ralston’s sales tax was higher, lower, or the same as Omaha’s.

**Table 6: Sales Tax Awareness**

| <b>Compared to Omaha, Ralston's sales tax rate is:</b>     | <b>Percent of Responses</b> |
|--|-----------------------------|
| <b>Higher</b>  | <b>2.75%</b>                |
| <b>Lower</b>   | <b>21.56%</b>               |
| <b>Same</b>  | <b>10.20%</b>               |
| <b>Don't Know</b>  | <b>65.49%</b>               |
| <b>Source: Goss &amp; Associates survey, November 2005</b> |                             |

About two-thirds of the respondents admitted that they did not know which city had a higher sales taxes rate-Omaha or Ralston. Less than one-fourth of the respon-

dents knew that Ralston’s sales tax rate was lower than Omaha’s which is currently 1.5 percent higher than Ralston’s.

Table 7 shows the likelihood of shoppers changing their shopping habits as a result of the local option sales tax. Over eighty percent of the respondents indicated that they would not shop less in Ralston if the local option tax was imposed. Surprisingly, the nonresidents indicated less likelihood of changing their behavior than did the Ralston residents.

**Table 7: Potential Changes in Shopping Behavior by Residence**

|                               | Ralston Residents | Nonresidents | Total |
|-------------------------------|-------------------|--------------|-------|
| Will shop less in Ralston     | 20.5%             | 13.0%        | 14.1% |
| Will not shop less in Ralston | 79.5%             | 87.0%        | 85.9% |

Source: Goss & Associates survey, November 2005

These results are consistent with the small adjustment to the retail sales estimates provided above and with a conclusion that the shopping patterns will not be changed to a great degree by the imposition of the tax. In addition, the relatively large percentage of nonresidents in the survey combined with their willingness to remain Ralston shoppers indicates that the sales tax might be an effective strategy to shift the tax burden away from Ralston property owners onto residents from outside the area.

## **Budget Ramifications**

The consequences of not passing a local option sales tax are ultimately up to the policy makers in Ralston. The purpose of this section is to illustrate the relative magnitudes of sales tax collections and budget items.

The 2006 Ralston budget already assumes sales tax collections of \$450,000. To put this in some perspective this amount is about 10 percent of the operating revenues contained in the proposed budget. In addition, this amount is thirty percent of property tax collections. Relative to expenditure items, the budgeted sales tax revenues represent forty percent of the police budget and are more than the budget for fire and library combined.

Of course, in any budget some items are discretionary while others are relatively fixed. Some of the items that might be cut if the sales tax revenues are not realized include the music in the town square project, fireworks, library books, story time supplies, and library audio visual equipment. Even with these cuts, the \$450,000 is not realized and so further cuts in personnel (including police officers and street and park workers) might be necessary. In addition, routine maintenance of police cars and other equipment may need to be deferred.

The proposed budget has an operating deficit in excess of \$430,000. Without the budgeted sales tax collections this deficit would more than double. If the local option tax were instituted at the 1.5 percent rate, the revenue generated would be sufficient to provide a balanced operating budget. In addition, this tax will shift some of the burden of taxation to residents of other communities just as some of the burden of taxa-

tion in the other metro communities is shifted onto Ralston residents who shop there. Ultimately, difficult budget decisions will have to be made if the local option sales tax is not adopted.

# Appendix

**Table A.1: Nebraska cities with local option sales taxes, 2006**

| 0.5%              | 1.0%                  |                       | 1.5%                  |                        |
|-------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Curtis (51-129)   | Ainsworth (52-003)    | Albion (81-004)       | Alliance (27-008)     | Beatrice (17-039)      |
| Elmwood (105-168) | Alma (82-009)         | Ashland (50-021)      | Bellevue (3-046)      | Blair (53-057)         |
| Gresham (125-214) | Atkinson (88-023)     | Auburn (57-025)       | Ceresco (25-095)      | Chadron (13-096)       |
| Dakota County     | Bassett (99-035)      | Bayard (44-037)       | Columbus (60-110)     | Cozad (26-119)         |
|                   | Beaver City (141-040) | Bennington (42-052)   | Crawford (20-122)     | Douglas (43-153)       |
|                   | Bertrand (118-053)    | Big Springs (100-055) | Elkhorn (31-166)      | Fairbury (36-179)      |
|                   | Bloomfield (83-058)   | Blue Hill (71-060)    | Falls City (79-182)   | Fremont (62-191)       |
|                   | Bridgeport (32-068)   | Broken Bow (66-072)   | Geneva (136-198)      | Gering (37-200)        |
|                   | Burwell (132-081)     | Cedar Rapids (114-    | Gothenburg (21-207)   | Grand Island (34-210)  |
|                   | Central City (78-094) | Chappell (12-099)     | Hastings (33-230)     | Hay Springs (68-231)   |
|                   | Cortland (119-116)    | Creighton (61-123)    | Hemingford (48-236)   | Henderson (112-237)    |
|                   | Crete (18-125)        | David City (101-138)  | Holdrege (54-245)     | Kimball (9-273)        |
|                   | Diller (67-147)       | Duncan (135-156)      | LaVista (14-274)      | Lexington (29-283)     |
|                   | Eagle (23-159)        | Edgar (102-161)       | Lincoln (2-285)       | Lyons (108-298)        |
|                   | Elgin (142-164)       | Eustis (106-176)      | Madison (113-299)     | McCool Junction (133-  |
|                   | Farnam (143-183)      | Friend (124-192)      | Mitchell (69-328)     | Nebraska City (16-339) |
|                   | Fullerton (30-193)    | Genoa (120-199)       | Newman Grove (98-346) | Norfolk (15-351)       |
|                   | Gibbon (72-201)       | Gordon (8-206)        | North Bend (92-353)   | North Platte (4-355)   |
|                   | Guide Rock (126-217)  | Harrison (49-227)     | Ogallala (6-363)      | Omaha (1-365)          |
|                   | Hebron (127-235)      | Hildreth (89-243)     | Oshkosh (10-372)      | Papillion (28-382)     |
|                   | Hooper (144-248)      | Hubbell (45-253)      | Plainview (46-392)    | Scottsbluff (22-432)   |
|                   | Jansen (111-264)      | Kearney (38-269)      | Sidney (7-441)        | South Sioux City (40-  |
|                   | Lewellen (5-281)      | Louisville (107-293)  | Tecumseh (86-481)     | Tekamah (87-482)       |
|                   | Loup City (90-294)    | McCook (103-312)      | Tilden (56-487)       | Valley (41-498)        |
|                   | Milford (63-322)      | Minden (55-327)       | Wahoo (95-506)        | York (97-536)          |
|                   | Morrill (137-332)     | Neligh (91-341)       |                       |                        |
|                   | Nelson (80-342)       | Niobrara (73-349)     |                       |                        |
|                   | Oakland (35-358)      | Odell (59-362)        |                       |                        |
|                   | O'Neill (39-366)      | Ord (115-369)         |                       |                        |
|                   | Osceola (131-371)     | Osmond (117-373)      |                       |                        |
|                   | Oxford (84-376)       | Palmyra (138-380)     |                       |                        |
|                   | Paxton (128-384)      | Peru (93-386)         |                       |                        |
|                   | Petersburg (130-387)  | Pierce (139-390)      |                       |                        |
|                   | Plattsmouth (121-394) | Plymouth (47-397)     |                       |                        |
|                   | Ravenna (85-409)      | Red Cloud (74-411)    |                       |                        |
|                   | Republican City (64-  | Rushville (11-425)    |                       |                        |
|                   | St. Paul (104-454)    | Schuyler (75-430)     |                       |                        |
|                   | Seward (129-435)      | Silver Creek (116-    |                       |                        |
|                   | Spencer (109-448)     | Stuart (110-468)      |                       |                        |
|                   | Superior (65-470)     | Sutton (94-473)       |                       |                        |
|                   | Syracuse (122-475)    | Terrytown (24-483)    |                       |                        |
|                   | Uehling (70-491)      | Verdigre (76-502)     |                       |                        |
|                   | Waterloo (19-512)     | Wausa (123-514)       |                       |                        |
|                   | Wayne (58-516)        | Weeping Water (140-   |                       |                        |
|                   | Wilber (96-523)       | Wymore (77-534)       |                       |                        |

## Data Modeling

### Variable Description

The independent variables in the Ralston retail sales equation are: time, a variable that estimates the monthly trend sales level; monthly qualitative variables that measure the month specific effect relative to December; broad, a variable that controls for the expansion of the sales tax base in October, 2003.

The independent variables in the Nebraska retail sales equation are the same as the Ralston equation with several additions. Additional variables are: D4.5, D5.0, D5.5, these variables estimate the effect of changing sales tax rates; ue rate, this variable is the monthly unemployment rate for the state and controls for the state of the economy.

**Table A.2: Regression of Ralston sales**

Ralston Monthly Sales Equation

Dependent Variable: ln(sales)

R-squared 0.82

Time Period: Jan, 1997 through June 2005

|           | Coefficients | Standard Error | t Stat   |
|-----------|--------------|----------------|----------|
| Intercept | 15.0321      | 0.0289         | 519.8951 |
| Time      | 0.0026       | 0.0003         | 7.7255   |
| Jan       | -0.2088      | 0.0346         | -6.0304  |
| Feb       | -0.2564      | 0.0346         | -7.4078  |
| Mar       | -0.0675      | 0.0346         | -1.9503  |
| Apr       | -0.0881      | 0.0346         | -2.5457  |
| May       | -0.0587      | 0.0346         | -1.6973  |
| June      | -0.0318      | 0.0346         | -0.9181  |
| July      | -0.1119      | 0.0357         | -3.1370  |
| Aug       | -0.0554      | 0.0357         | -1.5540  |
| Sept      | 0.0076       | 0.0357         | 0.2124   |
| Oct       | -0.0994      | 0.0356         | -2.7930  |
| Nov       | -0.1784      | 0.0356         | -5.0106  |
| Broad     | 0.1193       | 0.0247         | 4.8367   |

### Table A.3: State regression results

State Monthly Sales Equation

Dependent Variable: ln(sales)

R-squared 0.99

Time Period: Jan, 1985 through June 2005

| Variable  | Coefficient | Std. Error | t-Statistic |
|-----------|-------------|------------|-------------|
| Intercept | 20.7115     | 0.0118     | 1757.3251   |
| TIME      | 0.0041      | 0.0000     | 91.2993     |
| JAN       | -0.3622     | 0.0074     | -49.2207    |
| FEB       | -0.4088     | 0.0074     | -55.5513    |
| MARCH     | -0.2562     | 0.0074     | -34.8155    |
| APRIL     | -0.2999     | 0.0074     | -40.7439    |
| MAY       | -0.2770     | 0.0074     | -37.6338    |
| JUNE      | -0.2084     | 0.0074     | -28.3007    |
| JULY      | -0.2672     | 0.0075     | -35.8208    |
| AUGUST    | -0.2352     | 0.0075     | -31.5300    |
| SEPT      | -0.2224     | 0.0075     | -29.8315    |
| OCT       | -0.2883     | 0.0074     | -38.7072    |
| NOV       | -0.2882     | 0.0074     | -38.7029    |
| BROAD     | 0.0220      | 0.0086     | 2.5634      |
| D4.5%     | 0.0031      | 0.0100     | 0.3140      |
| D5.0%     | -0.0271     | 0.0072     | -3.7481     |
| D5.5%     | -0.0376     | 0.0086     | -4.3730     |
| UE_RATE01 | -0.0288     | 0.0026     | -11.2641    |

## Exhibit 1: survey form

**Time & Date** \_\_\_\_\_

**Business Name** \_\_\_\_\_

Hello, I'm doing a survey of Ralston shoppers today. Are you willing to answer a few brief questions?

|  |   |  |   |   |
|--|---|--|---|---|
| <b>1. Do you live in Ralston City limits?</b>  | <input type="checkbox"/> <b>Yes</b>       | <input type="checkbox"/> <b>No</b>       |   |   |
| <b>2. What is your zip code?</b>   |   |  |   |   |
| <b>3. Is Ralston's sales tax rate higher, lower, or the same as Omaha's?</b>   | <input type="checkbox"/><br><b>Higher</b> | <input type="checkbox"/><br><b>Lower</b> | <input type="checkbox"/><br><b>The same</b> | <input type="checkbox"/><br><b>Don't Know</b> |
| <b>4. If Ralston adopted a city sales tax at the same rate as the city of Omaha, would you shop less in Ralston?</b> | <input type="checkbox"/> <b>Yes</b>       |  | <input type="checkbox"/> <b>No</b>          |   |

Thank you for your participation.

## Biographies of Researchers

Ernie Goss is currently the Jack MacAllister Chair in Regional Economics at Creighton University and was a Visiting Scholar with the Congressional Budget Office for 2003-2004. He received his Ph.D. in Economics from The University of Tennessee in 1983 and is a former faculty research fellow at NASA's Marshall Space Flight Center. He was recently nominated by Nebraska's Attorney General to head a task force examining gasoline prices in the state. He was recently named as a scholar with the Theodore Roosevelt Institute in Irving, California and Las Vegas, Nevada.

He has published over eighty research studies focusing primarily on economic forecasting and on the statistical analysis of business and economic data. His research paper entitled, The Internet's Contribution to U.S. Productivity Growth, received the National Association of Business Economics Edmund A. Mennis Contributed Papers Award for 2001. His book, Changing Attitudes toward Economic Reform during the Yeltsin Era was published by Praeger Press in 2003 and his book Governing Fortunes: Casino Gambling in the U.S. will be published in 2006.

He is a member of the Editorial Board of The Review of Regional Studies and editor of Economic Trends, an economics newsletter published three times per year. He is the past president of the Omaha Association of Business Economics, and President of the Nebraska Purchasing Management Association.

Goss produces a monthly business conditions index for the nine state Mid-American region and the three state Mountain region. Survey results are cited each month in approximately 100 newspapers. Newspaper citations have included the New York Times, Wall Street Journal (4 times last year), Investors Business Daily, The Christian Science Monitor, Chicago Sun Times and other national and regional newspapers and magazines. Each month 75-100 radio stations carry his Regional Economic Report.

**James Knudsen, Ph.D.**

Jim Knudsen is Associate Dean and Assistant Professor of Economics in Creighton's College of Business Administration. He received his Ph.D. from Iowa State University. Dr. Knudsen teaches statistics and a variety of economics courses including Public Finance, Macroeconomics, and Environmental Economics.

Dr. Knudsen has published papers on the economics of education, education finance, and unemployment compensation. Other research interests include property taxes and the implications of tax rate caps and the economics of retirement.

## **Goss & Associates: funded research contracts, 2000-2005**

1. Fall 2005. Contract with the Isle of Capri to estimate the tax collections from operations of a Jefferson County, Missouri casino.
2. Fall 2005. Contract with Union College to estimate the impact of Union College on the state of Nebraska.
3. Summer 2005. Contract from the Lancaster Agricultural Society to determine the feasibility of expanding the Lancaster Event Center in Lincoln, Nebraska.
4. Spring 2005. Contract from the City of Omaha to estimate turnback taxes due the city from the state of Nebraska from the construction and operation of the Qwest Convention Center.
5. Summer 2004. Contract with Farm Credit Services of America (FCSAmerica) to evaluate the purchase of FCSAmerica by RaboBank of the Netherlands.
6. Summer 2003. Contract with College World Series, Inc. to estimate the economic impact of the 2003 College World Series.
7. Winter 2002-03. Contract with the Nebraska Educational Finance Authority to estimate the annual impact of Nebraska's private higher educational institutions on the state of Nebraska.
8. Summer 2002. Contract with the Greater Omaha Chamber of Commerce to examine the factors that determine the failure and success of casinos throughout the U.S.
9. Spring 2002. Contract with Nemaha County Development Alliance to determine the economic costs of the closure of the Cooper Nuclear Station.

10. Spring 2002. Contract with Hamilton Telecommunications to estimate the value of the Relay Services contract to the State of Louisiana and to East Baton Rouge Parish.
11. Fall 2002. Contract with the Nebraska Insurance Federation to determine the impact of the Nebraska insurance industry on the Nebraska economy.
12. Spring 2000. Contract with the Omaha Convention & Visitors Bureau to estimate the economic impacts of the College World Series.