

February 10, 2026

TO: Members of the Revenue Committee

FROM: Matt Martin, Director of Programs  
Nonprofit Association of the Midlands

RE: Opposition to LB1257

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The Nonprofit Association of the Midlands (NAM) is the only membership organization in Nebraska dedicated exclusively to working with nonprofits in the Midlands. By connecting organizations with information, education, advocacy and collaboration, we help members focus their energy on the people and communities they serve. There are thousands of nonprofits in our area – each trying to make a difference on their own. We bring them together so that each member can benefit from our collective strength.

Please accept this letter as our opposition to LB 1257 as it relates to repealing tax exemptions for nonprofits in Nebraska. Nonprofits are a vital economic driver in our state employing 10% of Nebraska’s workforce—81% are public charities, 55% small public charities, and 19% private foundations. Contrary to popular opinion, most nonprofits already pay sales on most purchases. They support human services, education, health, arts, culture and humanities, faith-based organizations and the environment, providing vital community services and programs unmet by the private sector and government. They should be considered partners with government as their dollars are primarily raised in the community to support citizens.

In recent times, many nonprofits have already seen critical revenue from federal and state grants disappear, be delayed, or be threatened, leaving private philanthropy struggling to fill the gaps. Tapping revenue from the elimination of nonprofit exemptions in LB 1257 only forces many to reduce their service to the community, pushing the citizens with real needs—physical and mental health, education, etc.—back to the public sector for assistance. Keeping these exemptions shows that the state understands the contributions of nonprofits and the cooperative relationship between nonprofits, government, and the private sector, and recognizes that supporting their endeavors reduces the need to support those services with tax dollars.

Thank you for the opportunity to weigh in on this legislation.