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Nebraska

Heineman: End Income Tax

Gov. Proposes Overhaul To Stimulate Business Climate

BY GRANT SCHULTE AND ALISSA SKELTON
Associated Press

LINCOLN, Neb. — Gov. Dave Heineman proposed an ambitious plan Tuesday to scrap Nebraska's income and corporate taxes while eliminating as much as \$2.4 billion in sales-tax breaks for businesses, with all industries except for food on the bargaining table.

The Republican governor unveiled his tax overhaul plan and budget proposal in his annual State of the State address to lawmakers.

"Are we going to be satisfied with a mediocre tax system that won't create the jobs of the future for our sons and

daughters?" Heineman asked. "Or, are we willing to consider reforming the tax code so that we have a modern, simpler and fairer tax code? Are we willing to consider a bold, innovative and strategic tax reform plan that would create a top ten business climate in Nebraska?"

Heineman said he would introduce "alternative options" for lawmakers in the next few days. And in a news conference immediately after the address, Heineman said all exemptions — minus food — were on the table, including breaks for manufacturing and agribusiness, two of the state's largest industries.



Heineman

The plan would require lawmakers to eliminate as much as \$2.4 billion in sales tax breaks for businesses, many of whom will likely fight to protect their particular exemption. Currently, the state exempts \$5 billion in purchases a year, more than it collects. In fiscal year 2014, Nebraska is projected to bring in \$1.5 billion in sales and use taxes.

However, Heineman said he has approached Nebraska business leaders in recent months to see if they were willing to trade their sales tax exemptions for lower corporate and individual taxes.

Nebraska allows exemptions on 84 different goods and services, from newspapers to airplane fuel to bull semen. Sales on American Indian reservations are tax-exempt, as are seeds sold to commercial growers.

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INSIDE TODAY



American Profile

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Obama Set To Launch Gun Control Effort

BY JULIE PACE AND ERICA WERNER
Associated Press

WASHINGTON — President Barack Obama is launching the nation's most sweeping effort to curb gun violence in nearly two decades, urging a reluctant Congress to ban military-style assault weapons and high-capacity ammunition magazines like those used in last month's massacre of 20 elementary school children in Newtown, Conn.

The broad package Obama will announce Wednesday is expected to include more than a dozen steps the president can take on his own through executive action.

Those measures will provide a pathway for skirting opposing lawmakers, but they will be limited in scope, and in some cases, focused simply on enforcing existing laws.

But Congress would have to approve the bans on assault weapons and ammunition magazines holding more than 10 bullets, along with a requirement for universal background checks on gun buyers. Some gun control advocates worry that opposition from Republicans and conservative Democrats, as well as the National Rifle Association, will be too great to overcome.

"We're not going to get an outright ban," Rep. Carolyn McCarthy, D-N.Y., said of limits on assault weapons. Still, McCarthy, a leading voice in Congress in favor of gun control, said she would keep pushing for a ban and hoped Obama would as well.

White House officials, seeking to avoid setting the president up for failure, have emphasized that no single measure — even an assault weapons ban — would solve a scourge of gun violence across the country. But without such a ban, or other sweeping Congress-approved measures, it's unclear whether executive actions

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Thune: The President Must Lead

Senator Says Fiscal Issues Require Tough Decisions

BY DAVID LIAS
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VERMILION — Sen. John Thune (R-S.D.) told a capacity crowd at the Vermillion Rotary Club Tuesday that cuts in federal spending, entitlement reform and changes in the tax code are needed to get the nation's fiscal house in order.

"It's time for us to make some hard decisions. They are going to be hard decisions because no one wants to talk about reforming some of these programs, but the fact of the matter is if we don't, these things are going to bankrupt the country," the senator said, speaking specifically of entitlements such as Medicare, Medicaid and Social Security that are contributing to an ever growing portion of the federal budget.

The noon luncheon meeting was held in the Al Neuharth Media Center on the University of South Dakota campus.

"We cannot continue on the trajectory we are on today and expect that younger generations of America are going to have Social Security and Medicare around for them," Thune said. "To save and protect these programs, we have to reform these programs."

He hinted that greater cooperation between Republicans and Democrats, and Congress and the White House is also needed. The tone of his remarks indicates he believes Democrats and President Barack Obama could have done more during the recent "fiscal cliff" negotiations, and will also need to do more as the nation's next bit of fiscal drama — the raising of the debt ceiling — is about to unfold.

"There have been periods in our nation's history when we've had divided gov-



While the U.S. Senate is in recess, Sen. John Thune has been on a whirlwind tour of South Dakota, holding listening meetings and speaking to various groups. Joe and Mary Edelen of Vermillion chat with the senator after he addressed the Vermillion Rotary Club Tuesday.

ernment that have led to great accomplishments," Thune said. "There is obviously great conflict when you have divided government, and in 2010, voters elected Republicans to run the House, Democrats to run

the Senate, and of course we had a Democratic president in the White House."

A key to reducing the nation's staggering

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County Building Permits Declined In 2012

BY NATHAN JOHNSON
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Fewer building permits issued in Yankton County during 2012 than the previous year translated into a lower annual estimated valuation, the Yankton County Commission was told Tuesday.

The estimated value of the 143 permits issued was \$10.3 million, according to Planning and Zoning Administrator Patrick Garrity, who delivered his 2012 building permit report during the commission's regular meeting. In 2011, the county issued 209 permits with an estimated value of \$14.1 million.

"I think it's very good (building activity) for the way the economy has been around the nation," Commission Chairman Bruce Jensen said. "I think 2013 will be a better year. The key is getting some moisture this spring. The farmers can take one year, but not two years."

Garrity noted that the number of single-family dwellings built increased by one over 2011 to 26. Their total value was \$6.2 million. A record number of single-family homes was built in 2007, when it hit 56 and a \$10.6 million total value.

Meanwhile, the estimated value of commercial projects in 2012 took a big hit, decreasing 72 percent from 2011. The value in 2012 was \$1.3 million, while the value in 2011 was \$4.7 million.

Activity on property zoned ag declined in value from \$4.6 million to \$4.5 million between 2011 and 2012. That includes single-family dwellings.

"We have some new permits coming in, including flood plain and drainage permits," Garrity added. "We did 27 (floodplain permits) in 2012 and 37 drainage permits in 2012."

The county enacted a drainage ordinance in June, requiring landowners

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Flu Taking Toll On U.S. Children With 20 Deaths

BY MIKE STOBBE
AP Medical Writer

NEW YORK — How bad is this flu season, exactly? Look to the children.

Twenty flu-related deaths have been reported in kids so far this winter, one of the worst tolls this early in the year since the government started keeping track in 2004.

But while such a tally is tragic, that does not mean this year will turn out to be unusually bad. Roughly 100 children die in an average flu season, and it's not yet clear the nation will reach that total.

The deaths this year have included a 6-year-old girl in Maine, a 15-year Michigan student who loved robotics, and 6-foot-4 Texas high school senior Max Schwolert, who grew sick in Wisconsin while visiting his grandparents for the holidays.

"He was kind of a gentle giant" whose death has had a huge impact on his hometown of Flower Mound, said Phil Schwolert, the Texas boy's uncle.

Health officials only started tracking pediatric flu deaths nine years ago, after media reports called attention to children's deaths. That was in 2003-04 when the primary flu germ

was the same dangerous flu bug as the one dominating this year. It also was an earlier than normal flu season.

The government ultimately received reports of 153 flu-related deaths in children, from 40 states, and most of them had occurred by the beginning of January. But the reporting was scattershot. So in October 2004, the government started requiring all states to report flu-related deaths in kids.

Other things changed, most notably a broad

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Scotland Students Get Another Gift From 'Santa'

BY RANDY DOCKENDORF
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SCOTLAND — Many presents are used, discarded or exchanged for something better.

But Scotland elementary students recently received a gift that keeps on giving, both for themselves and others around them.

For the third time in seven years, the Scotland students have received a mystery package filled with \$1,000. They don't know the name of the giver, who remains anonymous and has been nicknamed "Secret Santa."

Superintendent Damon Alvey said the money has been distributed, and he expects the students will use the money in the coming weeks.

"Our first Secret Santa came in 2005, then we had one a couple of years ago in 2010. Now, we have the third \$1,000 gift for the kids," said Alvey, who also serves as elementary principal.

"The gift is the same each time — 100 envelopes, each one with \$10 in it," he added.

OUR TOWNS

Bon Homme County

However, the money has arrived a different way each of the three times, Alvey said.

"The first one, back in 2005, the package was left on my desk," he said. "The money came in a big envelope. The person asked to remain anonymous, so we didn't check the (security) cameras."

At the time, Alvey said he was left in awe at the generosity and doubted such a gift would be repeated.

He was wrong. "For the second one in 2010, I received a note that the school received a call," he said. "I was to

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COURTESY PHOTO

Elementary school students in Scotland show their thanks to a "Secret Santa" who, for the third time in seven years, has anonymously donated \$1,000 to the school. According to Superintendent Damon Alvey, the mysterious donor "just wanted us to remember that people are always watching us to do good things."

