

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB402

Chairperson: Senator Tom Carlson

Committee: Natural Resources

Date of Hearing: March 01, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The current Community-Based Energy Development (C-BED) statute provides a sales tax exemption on the equipment and supplies used to construct a private wind energy project, but only if at least 33% of the revenues from the project for the first 20 years flow to Nebraska residents or limited liability companies comprised entirely of Nebraska residents. Since these statutes were adopted in 2007, only one utility-scale wind project has utilized them.

LB 402 would amend the C-BED law to allow more wind projects to qualify for the sales tax exemption by doing the following:

1. Expanding the definition of "payments to the local community" to include payments for products manufactured in Nebraska or by Nebraska companies, and services provided by Nebraska companies
2. Reducing the qualifying percentage threshold from 33% to 25%
3. Loosening corporate restrictions by allowing corporations domiciled in Nebraska to meet the definition of "qualified owner"

LB 402 would also expand C-BED to include renewable energy projects that use biomass or landfill gas.

Principal Introducer: _____

Senator Heath Mello