



Ninety-Ninth Legislature - Second Session - 2006
Introducer's Statement of Intent
LB 896

Chairperson: David Landis
Committee: Revenue
Date of Hearing: January 18, 2006

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

The renewable energy tax bill is an incentive bill to encourage the development of large renewable energy projects in Nebraska that are placed in operation after the effective date of this bill.

LB 896 provides a financial benefit for large renewable energy producers. Large is defined as a renewable energy resource with a production capacity of 1 megawatt or larger.

It allows producers to claim a tax credit which may be used to reduce the income tax liability or to obtain a refund of state sales and use taxes for the producer.

The tax credit is calculated on each kilowatt-hour of electricity generated from a renewable energy resource at the following rates:

- .075 cents before January 1, 2010;
- .05 cents after January 1, 2010 and before January 1, 2013; and
- .025 cents after January 1, 2013 and before January 1, 2018

Eligible renewable resources include wind, moving water, solar, geothermal, fuel cell, methane gas or photovoltaic technology.

Previous large wind farms which have already been constructed by MEAN and the Nebraska Public Power District are important contributions to the production of clean energy in Nebraska. However, renewable energy facilities constructed prior to the effective date of this bill are not eligible because there is no incentive to build a generation facility that already exists.

Principal Introducer: _____
Senator Don Preister