



Ninety-Ninth Legislature - First Session - 2005
Introducer's Statement of Intent
LB 90

Chairperson: David Landis
Committee: Revenue
Date of Hearing: February 2, 2005

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

LB 90 would increase the excise tax (commonly called the check-off) on corn and grain sorghum which supports the ethanol industry in Nebraska. The money from the tax is used to fund the tax credits which qualified ethanol plants receive. This excise tax was enacted to begin in July of 1995 and was three-quarter cent per bushel of corn or hundred weight of grain sorghum until January 1, 2000. From January 1, 2001 through September 30, 2004, the check-off was one-half cent, returning to three-quarter cent on October 1, 2004

Since the excise tax was first enacted, more plants than were originally expected to qualify for the tax credit have done so. Therefore, it is expected that the State will not be able to fund the credits qualified for by fiscal year 2005-06. LB 90 would increase the check-off to one and one-quarter cents beginning on October 1, 2005 until October 1, 2010, in order to provide adequate funding for the tax credits.

Principal Introducer: _____
Senator Roger R. Wehrbein