



One Hundred First Legislature - Second Session - 2010
Introducer's Statement of Intent
LB 1108

Chairperson: Abbie Cornett
Committee: Revenue
Date of Hearing: February 19, 2010

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

LB 1108 seeks to foster the growth and development of Nebraska's natural gas vehicle industry by providing a mechanism for natural gas providers to recapture some of the sales tax charged on their services.

Under the bill, natural gas providers can designate up to ten percent of the sales tax paid by their customers to a subaccount of the newly-created Compressed Natural Gas Innovation Fund. The designated sales tax funding must be matched by the natural gas provider.

Funds may be disbursed from the natural gas provider's subaccount of the Compressed Natural Gas Innovation Fund for infrastructure investment projects relating to storage, distribution, or dispensing of compressed natural gas, acquisition of motor vehicles that operate using compressed natural gas, and conversion of motor vehicles to operate using compressed natural gas.

The bill also adds a ten cent surcharge per gasoline gallon equivalent of compressed natural gas. Funds raised by this provision are designated for the Highway Trust Fund and are meant to hold the Highway Trust Fund harmless as the use of compressed natural gas increases in Nebraska.

Principal Introducer: _____
Senator Jeremy Nordquist