

One Hundred Seventh Legislature - Second Session - 2022

Introducer's Statement of Intent

LB944

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 25, 2022

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

LB 944 creates a framework for the incremental lowering of the sales tax collected on sales of electricity based upon the statewide average carbon intensity factor of all electricity providers.

The bill calls for a statewide carbon intensity number to be calculated no later than July 1, 2023 and each year after. The carbon intensity calculated in 2023 and any future calculations that may be above the 2023 number represent the the top end of the spectrum where the current 5.5% sales tax is collected.

Then each subsequent year the carbon intensity will determine the next year's sales tax on electricity as follows.

100% of 2023 carbon intensity and any higher intensity number yield current 5.5% sales tax

between 100% of 2023 intensity - 80% of 2023 intensity yields a 4.5% sales tax

between 80% of 2023 intensity - 60% of 2023 intensity yields a 3.5% sales tax

between 60% of 2023 intensity - 40% of 2023 intensity yields a 2.5% sales tax

between 40% of 2023 intensity - 20% of 2023 intensity yields a 1.5% sales tax

between 20% of 2023 intensity - 0% of 2023 intensity - elec. sales are tax exempt

Principal Introducer: _____

Senator John McCollister