

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 815

Introduced by Brandt, 32; Dorn, 30; Ibach, 44; Jacobson, 42; Murman, 38.

Read first time January 07, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to fuels; to amend sections 66-726, 66-1331,
2 66-1332, 66-1333, 66-1337, 66-1338, and 66-1340, Reissue Revised
3 Statutes of Nebraska, and sections 66-489, 66-1334, 66-1335, and
4 66-1521, Revised Statutes Cumulative Supplement, 2024; to provide
5 for a tax on certain diesel fuels; to change provisions relating to
6 refunds for motor fuel taxes; to change and eliminate provisions of
7 the Ethanol Development Act; to define, redefine, and eliminate
8 terms; to change provisions relating to the petroleum release
9 remedial action fee; to eliminate the Ethanol Production Incentive
10 Cash Fund; to harmonize provisions; to provide operative dates; to
11 repeal the original sections; and to outright repeal sections
12 66-1342, 66-1344.01, 66-1345, 66-1345.05, and 66-1348, Reissue
13 Revised Statutes of Nebraska, and section 66-1344, Revised Statutes
14 Supplement, 2025.

15 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 66-489, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 66-489 (1)(a) At the time of filing the return required by section
4 66-488, such producer, supplier, distributor, wholesaler, or importer
5 shall, in addition to the tax imposed pursuant to sections 66-489.02,
6 66-4,140, 66-4,145, and 66-4,146 and in addition to the other taxes
7 provided for by law, pay a tax in an amount set in subdivision (b) of
8 this subsection upon all motor fuels as shown by such return, except that
9 there shall be no tax on the motor fuels reported if (i) the required
10 taxes on the motor fuels have been paid, (ii) the motor fuels have been
11 sold to a licensed exporter exclusively for resale or use in another
12 state, (iii) the motor fuels have been sold from a Nebraska barge line
13 terminal, pipeline terminal, refinery, or ethanol or biodiesel facility,
14 including motor fuels stored offsite in bulk, by a licensed producer or
15 supplier to a licensed distributor, (iv) the motor fuels have been sold
16 by a licensed distributor or licensed importer to a licensed distributor
17 or to a licensed wholesaler and the seller acquired ownership of the
18 motor fuels directly from a licensed producer or supplier at or from a
19 refinery, barge, barge line, pipeline terminal, or ethanol or biodiesel
20 facility, including motor fuels stored offsite in bulk, in this state or
21 was the first importer of such fuel into this state, or (v) as otherwise
22 provided in this section. Such producer, supplier, distributor,
23 wholesaler, or importer shall remit such tax to the department.

24 (b) The tax shall be:

25 (i) Seven and one-half cents per gallon through December 31, 2015;
26 (ii) Eight cents per gallon beginning on January 1, 2016, through
27 December 31, 2016;
28 (iii) Eight and one-half cents per gallon beginning on January 1,
29 2017, through December 31, 2017;
30 (iv) Nine cents per gallon beginning on January 1, 2018, through
31 December 31, 2018; and

1 (v) Nine and one-half cents per gallon beginning on January 1, 2019.
2 (2)(a) As part of filing the return required by section 66-488, each
3 producer of ethanol shall, in addition to other taxes imposed by the
4 motor fuel laws, pay an excise tax of one and one-quarter cents per
5 gallon on:

10 (ii) Two percent of agricultural ethyl alcohol sold that is unfit
11 for beverage purposes and does not meet the American Society for Testing
12 and Materials D4806 standards.

13 (b) All taxes, interest, and penalties collected under this
14 subsection shall be remitted to the State Treasurer for credit to the
15 Agricultural Alcohol Fuel Tax Fund.

16 (3)(a) Motor fuels, methanol, and all blending agents or fuel
17 expanders shall be exempt from the taxes imposed by this section and
18 sections 66-489.02, 66-4,105, 66-4,140, 66-4,145, and 66-4,146, when the
19 fuels are used for buses equipped to carry more than seven persons for
20 hire and engaged entirely in the transportation of passengers for hire
21 within municipalities or within a radius of six miles thereof.

22 (b) The owner or agent of any bus equipped to carry more than seven
23 persons for hire and engaged entirely in the transportation of passengers
24 for hire within municipalities, or within a radius of six miles thereof,
25 in lieu of the excise tax provided for in this section, shall pay an
26 equalization fee of a sum equal to twice the amount of the registration
27 fee applicable to such vehicle under the laws of this state. Such
28 equalization fee shall be paid in the same manner as the registration fee
29 and be disbursed and allocated as registration fees.

30 (c) Nothing in this section shall be construed as permitting motor
31 fuels to be sold tax exempt. The department shall refund tax paid on

1 motor fuels used in buses deemed exempt by this section.

2 (4) Gasoline, natural gasoline, or any other gasoline component,
3 including, but not limited to, any gasoline component produced from
4 biomass feedstock, purchased for use as a denaturant by a producer at an
5 ethanol facility as defined in section 66-1333 shall be exempt from the
6 motor fuels tax imposed by subsection (1) of this section as well as the
7 tax imposed pursuant to sections 66-489.02, 66-4,140, 66-4,145, and
8 66-4,146.

9 (5) Unless otherwise provided by an agreement entered into between
10 the State of Nebraska and the governing body of any federally recognized
11 Indian tribe within the State of Nebraska, motor fuels purchased on a
12 Nebraska Indian reservation where the purchaser is a Native American who
13 resides on the reservation shall be exempt from the motor fuels tax
14 imposed by this section as well as the tax imposed pursuant to sections
15 66-489.02, 66-4,140, 66-4,145, and 66-4,146.

16 (6) Motor fuels purchased for use by the United States Government or
17 its agencies shall be exempt from the motor fuels tax imposed by this
18 section as well as the tax imposed pursuant to sections 66-489.02,
19 66-4,140, 66-4,145, and 66-4,146.

20 (7)(a) Except as otherwise provided in subdivision (b) of this
21 subsection, in (7) In the case of diesel fuel, there shall be no tax on
22 the motor fuels reported if (i) (a) the diesel fuel has been indelibly
23 dyed and chemically marked in accordance with regulations issued by the
24 Secretary of the Treasury of the United States under 26 U.S.C. 4082 or
25 (ii) (b) the diesel fuel contains a concentration of sulphur in excess of
26 five-hundredths percent by weight or fails to meet a cetane index minimum
27 of forty and has been indelibly dyed in accordance with regulations
28 promulgated by the Administrator of the United States Environmental
29 Protection Agency pursuant to 42 U.S.C. 7545.

30 (b) Beginning on October 1, 2026, a one-quarter of one cent tax per
31 gallon shall be imposed on diesel fuel that (i) has been indelibly dyed

1 and chemically marked in accordance with the regulations issued by the
2 Secretary of the Treasury of the United States or (ii) contains a
3 concentration of sulphur in excess of five-hundredths percent by weight
4 or fails to meet a cetane index minimum of forty and has been indelibly
5 dyed in accordance with the regulations promulgated by the Administrator
6 of the United States Environmental Protection Agency.

7 (c) All taxes collected under this subsection shall be remitted to
8 the State Treasurer for credit to the Agricultural Alcohol Fuel Tax Fund.

9 **Sec. 2.** Section 66-726, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 66-726 (1) The department may adjust all errors in payment, refund
12 tax paid on motor fuel destroyed, refund tax overpaid on motor fuel, and
13 refund an amount equal to the per-gallon tax imposed by this state on
14 sales of motor fuel on which tax was paid in this state but which was
15 sold in a state other than Nebraska.

16 (2)(a) Motor fuels shall be exempt from the taxes imposed by
17 sections 66-489, 66-489.02, 66-4,105, 66-4,140, 66-4,145, and 66-4,146
18 when the fuels are used for agricultural, quarrying, industrial, or other
19 nonhighway use.

20 (b) The department shall refund tax paid on motor fuels used for an
21 exempt purpose. The purchaser of tax-paid motor fuels used for an exempt
22 purpose shall file a claim for refund with the department on forms
23 prescribed by the department and shall provide such documentation and
24 maintain such records as the department reasonably requires to
25 substantiate that the fuels were used for exempt purposes.

26 (c) The refund claim shall include: (i) The name of claimant; (ii)
27 the make, horsepower, and other mechanical description of machinery in
28 which the motor fuels were used; (iii) a statement as to the source or
29 place of business where such motor fuels, used solely for agricultural,
30 quarrying, industrial, or other nonhighway uses, were acquired; that no
31 part of such motor fuels were used in propelling licensed motor vehicles;

1 and that the motor fuels for which refund of the tax thereon is claimed
2 were used solely for agricultural, quarrying, industrial, or other
3 nonhighway uses; and (iv) any other information deemed necessary by the
4 department.

5 (d) The department shall deduct (i) from each claim for refund of
6 tax paid on purchases of motor vehicle fuels under this subsection two
7 and one-quarter cents per gallon through December 31, 2004, and
8 commencing January 1, 2010, and three and one-half cents per gallon
9 commencing January 1, 2005, through December 31, 2009, of the tax paid
10 and (ii) from each claim for refund of tax paid on purchases of diesel
11 fuel under this subsection one cent per gallon of the tax paid.

12 (e) ~~The department shall transmit monthly to the State Treasurer a~~
13 ~~report of the number of gallons of motor vehicle fuel for which refunds~~
14 ~~have been approved under this subsection. Through December 31, 2004, and~~
15 ~~commencing January 1, 2010, the State Treasurer shall thereupon transfer~~
16 ~~from the Highway Trust Fund to the Agricultural Alcohol Fuel Tax Fund one~~
17 ~~and one-quarter cents per gallon approved for refund, and commencing~~
18 ~~January 1, 2005, through December 31, 2009, the State Treasurer shall~~
19 ~~thereupon transfer from the Highway Trust Fund (a) to the Ethanol~~
20 ~~Production Incentive Cash Fund one and one-quarter cents per gallon~~
21 ~~approved for refund and (b) to the Agricultural Alcohol Fuel Tax Fund one~~
22 ~~and one-quarter cents per gallon approved for refund.~~

23 (3) No refund shall be allowed unless a claim is filed setting forth
24 the circumstances by reason of which refund should be allowed. Such claim
25 shall be filed with the department within three years from the date of
26 the payment of the tax.

27 (4) In each calendar year, no claim for refund related to motor
28 vehicle fuel, diesel fuel, aircraft fuel, or compressed fuel can be for
29 an amount less than twenty-five dollars.

30 (5) The department shall administer and enforce this section. The
31 department may call to its aid when necessary any member of the Nebraska

1 State Patrol, any police officer, any county attorney, or the Attorney
2 General. The employees of the department are empowered to stop and
3 inspect motor vehicles, to inspect premises, and temporarily to impound
4 motor vehicles or motor fuels when necessary to administer this section.

5 (6) The department may adopt and promulgate such rules and
6 regulations as are necessary for the prompt and effective enforcement of
7 this section.

8 (7) Any claimant for refund of motor fuels tax under this section
9 who is unable to produce the original copy of any invoice to substantiate
10 the refund for the reason that the same has been lost, mutilated, or
11 destroyed may make proof of his or her claim by affidavit and such other
12 evidence as may be required by the department, and if such claim is
13 verified by investigation, such claim may be allowed.

14 (8) The changes made to this section by Laws 2004, LB 983, apply to
15 motor fuels purchased during any tax year ending or deemed to end on or
16 after January 1, 2005, under the Internal Revenue Code.

17 **Sec. 3.** Section 66-1331, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 66-1331 The Legislature finds that Nebraska should continue its
20 existing programs to encourage processing, market development, promotion,
21 distribution, and research on ~~products derived from grain~~, ethanol, or
22 ethanol components, coproducts, and products derived from ethanol or
23 ethanol coproducts or byproducts to provide for:

24 (1) Expanded use of Nebraska agricultural products;

25 (2) Efficient and less-polluting energy sources and reserves which
26 will make Nebraska less energy dependent, improve air quality reduce
27 ~~atmospheric carbon monoxide levels~~, and retain Nebraska dollars in the
28 Nebraska economy to achieve a multiplier effect thereby generating
29 additional jobs and tax income to the state rather than the export of
30 Nebraska dollars;

31 (3) Development of protein products which will be ~~more~~ efficiently

1 stored and marketed domestically and internationally to encourage greater
2 processing of Nebraska ethanol, ethanol coproducts, and products derived
3 from ethanol or ethanol coproducts to foreign nations rather than the
4 present method of simple export of unprocessed grain products;

5 (4) New and enhanced Alternative local outlets for Nebraska
6 agricultural products which can be leveraged by Nebraska agricultural
7 producers to facilitate strengthened demand and drive greater economic
8 prosperity in rural communities. New and enhanced particularly utilized
9 in times of depressed grain prices so as to give Nebraskans greater
10 control of their crop marketing procedures rather than have crop
11 marketing procedures too dependent upon federal agencies, major grain
12 exporters, and foreign purchasers. Local outlets may include ethanol
13 plants, agricultural production facilities, or other facilities related
14 to the processing, marketing, or distributing distribution of ethanol,
15 ethanol coproducts, or products derived from ethanol or ethanol
16 components, coproducts, or byproducts;

17 (5) Collaboration Cooperation with private industry to support
18 existing ethanol establish ethanol-related production facilities in
19 Nebraska and establish new facilities producing ethanol, ethanol
20 coproducts, or products derived from ethanol or ethanol coproducts to
21 strengthen and create demand for Nebraska agricultural products;

22 (6) Promotion and market development, in collaboration cooperation
23 with private industry, of ethanol, ethanol coproducts, or products
24 derived from ethanol or ethanol components, coproducts, or byproducts;
25 and

26 (7) Sponsorship of research and development of industrial and
27 commercial uses for agricultural ethanol, ethanol coproducts, and
28 products derived from ethanol or ethanol coproducts and for byproducts
29 resulting from the manufacturing of agricultural ethanol in order to
30 enhance economic feasibility and marketing potential of such products and
31 processes.

1 **Sec. 4.** Section 66-1332, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 66-1332 It is hereby declared to be the public policy of the State
4 of Nebraska to safeguard the health, prosperity, and general welfare of
5 its residents by developing, protecting, and maintaining a leading
6 position in ethanol production and the processing of agricultural
7 products into ethanol, ethanol coproducts, or products derived from
8 ethanol or ethanol coproducts that improve air quality, strengthen energy
9 security, increase demand for agricultural products, provide consumer
10 choice, and displace products produced from petroleum. The Nebraska
11 Ethanol Board shall be the state agency for such purpose. The Legislature
12 also recognizes the need for a statewide approach to identify and attract
13 agricultural processing opportunities that support the Nebraska ethanol
14 industry, the need to participate in programs of research, education,
15 market development, and promotion of ethanol, ethanol coproducts, or
16 products derived from ethanol or ethanol coproducts, and the need to
17 provide subject matter expertise related to policy and regulatory affairs
18 for ethanol, ethanol coproducts, or products derived from ethanol or
19 ethanol coproducts. It is hereby declared to be the public policy of the
20 state that, in order to safeguard life, health, property, and public
21 welfare of its citizens, the production, sale, and use of motor fuel and
22 the pollution caused by certain components of motor fuel are matters
23 affecting the public interest and that a statewide emphasis on the
24 production and use of motor fuel containing agricultural ethyl alcohol as
25 a substitute for polluting components is necessary for the reduction of
26 pollution and will further serve as an incentive for the agricultural
27 economy in this state. The Legislature further recognizes that a fuel
28 crisis is pending in the nation and that the development of an additional
29 source of fuel will provide an energy and environmental benefit to the
30 citizens of this state and to the future economic growth of Nebraska.

31 **Sec. 5.** Section 66-1333, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 66-1333 For purposes of the Ethanol Development Act, unless the
3 context otherwise requires:

4 (1) Agricultural production facility or ethanol facility means a
5 plant or facility related to the processing, marketing, or distribution
6 of ethanol, ethanol coproducts, any products derived from ethanol or
7 ethanol grain components, coproducts, or grain byproducts;

8 (2) Board means the Nebraska Ethanol Board;

9 (3) Ethanol producer means:

10 (a) A person that owns or operates an ethanol facility in this
11 state; or

12 (b) A person who devotes at least fifty percent of his or her
13 professional time to ethanol production operations at an ethanol
14 facility;

15 (4) (3) Grain means wheat, corn, and grain sorghum; and

16 (5) (4) Name plate design capacity means the original designed
17 capacity of an ethanol or agricultural production facility. Capacity may
18 be specified as bushels of grain processed or mass or volume of ethanol,
19 ethanol coproducts, or products derived from ethanol or ethanol
20 coproducts produced ground or gallons of ethanol produced per year.; and

21 (5) Related parties means any two or more individuals, firms,
22 partnerships, limited liability companies, companies, agencies,
23 associations, or corporations which are members of the same unitary group
24 or are any persons who are considered to be related persons under the
25 Internal Revenue Code.

26 Sec. 6. Section 66-1334, Revised Statutes Cumulative Supplement,
27 2024, is amended to read:

28 66-1334 (1) The Agricultural Alcohol Fuel Tax Fund is hereby
29 created. The fund shall be administered by the board. The fund shall
30 contain (a) money credited transfers made pursuant to section 66-489
31 66-726, (b) all sums of money received from fees resulting from any

1 conference or event held by the board, (c) gifts, grants, and
2 contributions made by public or private entities, and (d) transfers as
3 authorized by the Legislature. Any money in the fund available for
4 investment shall be invested by the state investment officer pursuant to
5 the Nebraska Capital Expansion Act and the Nebraska State Funds
6 Investment Act.

7 (2) The fund shall be used for the following purposes:

8 (a) Establishment, in collaboration with cooperation of private
9 industry, of procedures and processes necessary to the manufacture and
10 marketing of ethanol, ethanol coproducts, and products derived from
11 ethanol or ethanol coproducts fuel containing agricultural ethyl alcohol;

12 (b) Establishment and enhancement of procedures for entering blended
13 fuel into the marketplace by private enterprise;

14 (c) Implementation Analysis of the marketing process and testing of
15 marketing and education procedures and programs to increase assure
16 acceptance and awareness in the private marketplace of ethanol, ethanol
17 coproducts, and products derived from ethanol or ethanol coproducts
18 blended fuel and byproducts resulting from the manufacturing process;

19 (d) Collaboration Cooperation with private industry to establish
20 ethanol or agricultural production facilities privately owned
21 agricultural ethyl alcohol manufacturing plants in Nebraska to supply
22 demand for ethanol, ethanol coproducts, and products derived from ethanol
23 or ethanol coproducts blended fuel;

24 (e) Sponsoring research and development of industrial and commercial
25 uses for ethanol, ethanol coproducts, and products derived from ethanol
26 or ethanol coproducts agricultural ethyl alcohol and for byproducts
27 resulting from the manufacturing process;

28 (f) Promotion of state and national air quality improvement programs
29 and influencing federal legislation that requires or encourages the use
30 of fuels oxygenated by the inclusion of ethanol agricultural ethyl
31 alcohol or fuels derived from ethanol its derivatives;

1 (g) Promotion of the use of ethanol and fuels derived from ethanol
2 ~~renewable agricultural ethyl alcohol~~ as a partial replacement for
3 imported oil and for the energy and economic security of the nation;

4 (h) Participation in development and passage of state and national
5 legislation dealing with research, development, and promotion of United
6 States production of fuels oxygenated by the inclusion of ethanol
7 ~~agricultural ethyl alcohol~~ or its derivatives, access to potential
8 markets, tax incentives, imports of foreign-produced fuel, and related
9 concerns that may develop in the future; and

10 (i) As the board may otherwise direct to fulfill the goals set forth
11 under the Ethanol Development Act, including monitoring contracts for
12 ethanol program commitments and solicitation of federal funds.

13 **Sec. 7.** Section 66-1335, Revised Statutes Cumulative Supplement,
14 2024, is amended to read:

15 66-1335 (1) The Nebraska Ethanol Board is hereby established. The
16 board shall consist of nine ~~seven~~ members to be appointed by the Governor
17 with the approval of a majority of the Legislature. ~~The Governor shall~~
18 ~~make the initial appointments within thirty days after September 1, 1993.~~

19 (2)(a) Four members shall be actually engaged in farming in this
20 state, one in general farming and one each in the production of corn,
21 wheat, and sorghum.

22 (b)(i) Until August 31, 2026, one ~~One~~ member shall be actively
23 engaged in business in this state.

24 (ii) Beginning September 1, 2026, the member under this subdivision
25 ~~(2)(b) shall be an ethanol producer in this state. If the member under~~
26 ~~this subdivision (2)(b) is an ethanol producer on August 31, 2026, then~~
27 ~~such member may serve as the member under this subdivision (2)(b) for the~~
28 ~~remainder of the term without reappointment by the Governor. If the~~
29 ~~member under subdivision (2)(b) is not an ethanol producer on August 31,~~
30 ~~2026, the Governor shall appoint a new member that is an ethanol producer~~
31 ~~to serve as the member under this subdivision (2)(b) for the remainder of~~

1 the term within thirty days after September 1, 2026.

2 (c) One member shall represent labor interests in this state.

3 (d) One member shall represent Nebraska petroleum marketers in this
4 state.

5 (e) Two members shall be ethanol producers in this state, and such
6 members shall be in addition to the member that is an ethanol producer
7 under subdivision (2)(b) of this section. The Governor shall make the
8 initial appointments of such members within thirty days after September
9 1, 2026.

10 (3) (2) Members shall be appointed for terms of four years, except
11 that the initial terms of the two initial appointees under subdivision
12 (2)(e) of this section shall expire on August 31, 2028, for one of such
13 members and on August 31, 2029, for the other of such members the terms
14 of the member representing labor interests and the member engaged in
15 general farming shall expire on August 31, 1994, the terms of the member
16 engaged in sorghum production and the member engaged in wheat production
17 shall expire on August 31, 1995, the term of the member representing
18 petroleum marketers shall expire on August 31, 1996, and the terms of the
19 member engaged in business and the member engaged in corn production
20 shall expire on August 31, 1997. A member shall serve until a successor
21 is appointed and qualified. Not more than five ~~four~~ members shall be
22 members of the same political party.

23 (4) (3) A vacancy on the board shall exist in the event of death,
24 disability, resignation, or removal for cause of a member. Any vacancy on
25 the board arising other than from the expiration of a term shall be
26 filled by appointment for the unexpired portion of the term. An
27 appointment to fill a vacancy shall be made by the Governor with the
28 approval of a majority of the Legislature, and any person so appointed
29 shall have the same qualifications as the person whom he or she succeeds.

30 (5) (4) The board shall meet at least once annually.

31 (6) (5) The members shall be reimbursed for expenses as provided in

1 sections 81-1174 to 81-1177. The members shall receive twenty-five
2 dollars for each day while engaged in the performance of board duties.

3 **Sec. 8.** Section 66-1337, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 66-1337 The board may rent office space and employ such personnel as
6 may be necessary for the performance of its duties. The board may employ
7 the services of experts and consultants and expend funds necessary to
8 ~~acquire title to commodities pursuant to section 66-1340,~~ to promote air
9 quality improvement programs, or to otherwise carry out the board's
10 duties under the Ethanol Development Act.

11 **Sec. 9.** Section 66-1338, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 66-1338 The board may appropriate funds and become a member of any
14 national ~~ethanol promotion or trade organization that is necessary or~~
15 advantageous for the carrying out of the duties of the board under the
16 Ethanol Development Act group.

17 **Sec. 10.** Section 66-1340, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 66-1340 The board may accept gifts, donations, money, and services,
20 ~~including in-kind resources such as grain owned by the Commodity Credit~~
21 ~~Corporation and the United States Department of Agriculture. The board~~
22 ~~may take title to the Commodity Credit Corporation's inventories and use~~
23 ~~such commodities to carry out the Ethanol Development Act. The board may~~
24 ~~accept commodities in connection with section 1024 of the Food Security~~
25 ~~Act of 1985 or in connection with any other section of state or federal~~
26 ~~law.~~

27 **Sec. 11.** Section 66-1521, Revised Statutes Cumulative Supplement,
28 2024, is amended to read:

29 66-1521 (1) A petroleum release remedial action fee is hereby
30 imposed upon the producer, refiner, importer, distributor, wholesaler, or
31 supplier who engages in the sale, distribution, delivery, and use of

1 petroleum within this state, except that the fee shall not be imposed on
2 petroleum that is exported or ~~. The fee shall also be imposed on~~ diesel
3 fuel which is indelibly dyed. The amount of the fee shall be nine-tenths
4 of one cent per gallon on motor vehicle fuel as defined in section 66-482
5 and six-tenths ~~three-tenths~~ of one cent per gallon on diesel fuel as
6 defined in section 66-482. The amount of the fee shall be used first for
7 payment of claims approved by the State Claims Board pursuant to section
8 66-1531; second, up to three million dollars of the fee per year shall be
9 used for reimbursement of owners and operators under the Petroleum
10 Release Remedial Action Act for investigations of releases ordered
11 pursuant to section 81-15,124; and third, the remainder of the fee shall
12 be used for any other purpose authorized by section 66-1519. The fee
13 shall be paid by all producers, refiners, importers, distributors,
14 wholesalers, and suppliers subject to the fee by filing a monthly return
15 on or before the twentieth day of the calendar month following the
16 monthly period to which it relates. The pertinent provisions,
17 specifically including penalty provisions, of the motor fuel laws as
18 defined in section 66-712 shall apply to the administration and
19 collection of the fee except for the treatment given refunds. There shall
20 be a refund allowed on any fee paid on petroleum which was taxed and then
21 exported, destroyed, or purchased for use by the United States Government
22 or its agencies. The department may also adjust for all errors in the
23 payment of the fee. In each calendar year, no claim for refund related to
24 the fee can be for an amount less than ten dollars.

25 (2) No producer, refiner, importer, distributor, wholesaler, or
26 supplier shall engage in the sale, distribution, delivery, or use of
27 petroleum in this state without having first obtained a petroleum release
28 remedial action license. Application for a license shall be made to the
29 Department of Revenue upon a form prepared and furnished by the
30 Department of Revenue. If the applicant is an individual, the application
31 shall include the applicant's social security number. Failure to obtain a

1 license prior to engaging in the sale, distribution, delivery, or use of
2 petroleum shall be a Class IV misdemeanor. The Department of Revenue may
3 suspend or cancel the license of any producer, refiner, importer,
4 distributor, wholesaler, or supplier who fails to pay the fee imposed by
5 subsection (1) of this section in the same manner as licenses are
6 suspended or canceled pursuant to section 66-720.

7 (3) The Department of Revenue may adopt and promulgate rules and
8 regulations necessary to carry out this section.

9 (4) The Department of Revenue shall deduct and withhold from the
10 petroleum release remedial action fee collected pursuant to this section
11 an amount sufficient to reimburse the direct costs of collecting and
12 administering the petroleum release remedial action fee. Such costs shall
13 not exceed one hundred fifty thousand dollars for each fiscal year. The
14 one hundred fifty thousand dollars shall be prorated, based on the number
15 of months the fee is collected, whenever the fee is collected for only a
16 portion of a year. The amount deducted and withheld for costs shall be
17 deposited in the Petroleum Release Remedial Action Collection Fund which
18 is hereby created. The Petroleum Release Remedial Action Collection Fund
19 shall be appropriated to the Department of Revenue, except that transfers
20 may be made from the fund to the General Fund at the direction of the
21 Legislature. Any money in the Petroleum Release Remedial Action
22 Collection Fund available for investment shall be invested by the state
23 investment officer pursuant to the Nebraska Capital Expansion Act and the
24 Nebraska State Funds Investment Act.

25 (5) The Department of Revenue shall collect the fee imposed by
26 subsection (1) of this section.

27 **Sec. 12.** Sections 1, 2, 6, 11, and 14 of this act become operative
28 on October 1, 2026. The other sections of this act become operative on
29 their effective date.

30 **Sec. 13.** Original sections 66-1331, 66-1332, 66-1333, 66-1337,
31 66-1338, and 66-1340, Reissue Revised Statutes of Nebraska, and section

1 66-1335, Revised Statutes Cumulative Supplement, 2024, are repealed.

2 **Sec. 14.** Original section 66-726, Reissue Revised Statutes of
3 Nebraska, and sections 66-489, 66-1334, and 66-1521, Revised Statutes
4 Cumulative Supplement, 2024, are repealed.

5 **Sec. 15.** The following sections are outright repealed: Sections
6 66-1342, 66-1344.01, 66-1345, 66-1345.05, and 66-1348, Reissue Revised
7 Statutes of Nebraska, and section 66-1344, Revised Statutes Supplement,
8 2025.