

April 7, 1982

LB 799

effort for some time. It was initially looked at in 1979 when Senator Schmit and I cosponsored LB 317 which would have provided the same sort of a tax credit. Now that bill was held and studied by the Revenue Committee. I helped direct that study and we did look at the matter and did provide in LB 954 a provision similar to this. It was not adopted by the Legislature and the following year we had similar legislation but that again was not promoted. But what we found was over the years even more evidence than ever before that income tax credits are an effective way to promote the development of solar energy. And in looking at other states and there was a handout I passed out last night, you may not have copies, we will try and get other copies for you, it is very clear from the continuing research we have done that solar income tax credits are effective in promoting the development of renewable energy and solar energy in the states that have adopted them. We are talking about states such as Kansas and California and other states. About half the states have some sort of income tax credit. It is very clear that this is the most effective way, the most cost effective way of promoting renewable domestic energy. I think that with that evidence we can come back to you today and feel very secure in the fact that this amendment will help us deal with part of the problems that we are having with energy. When you talk about the economic problems of this state and the discussions we have had with Senator Warner and the Revenue Committee, a part of that problem, a major part of that problem is the difficulties we are having with energy. Natural gas rates are increasing unbelievably and you will see a doubling and perhaps even a tripling in the near future of natural gas rates. Your gasoline costs have gone up unbelievably in the last few years but we also know that they have dipped a little bit in the last few months. Don't be led to believe that that is going to be anything permanent though. You are going to see gasoline prices go right back up and in the very near future you will be very much back to where we were before and even worse off. You have seen the electricity increase in cost. All utilities are increasing in cost. Clearly it is a serious problem in the State of Nebraska. It leads to the economic problems we have had. We are finding from very detailed research that the portion of your budget, your family income that is going to energy is increasing, that you are not able to keep up with the increase in utility bills that you have to pay, and the situation is bad and getting worse and that you are losing the battle at this point. The state has got to provide some leadership. We have got to do something about the energy problem. LB 738 even in the amended form is going to help that situation with the solar tax credits that we think will be very effective in

10448