

Smith, on the committee amendments.

SENATOR SMITH: Thank you, Mr. President. The committee amendments, it is my understanding, would retain 1 cent of the current 3-cent excise tax exemption in gas...in ethanol, blended gasoline, and establish then a 20-cent production credit, and we have already talked a little bit about the importance of this, but I just wanted to make sure that everybody here understands that this is Senator Schmit's bill, my priority, and, of course, I have a great interest in this because of the plant that we have existing in Hastings at this point in time. Nebraska's current 3-cent excise tax exemption was designed in order to encourage ethanol sales and market development in the state, and this incentive has been successful in achieving that goal. Nebraska leads the nation in market penetration of ethanol fuels and has set new sales records in 11 of the last 12 years, but Nebraska currently has to import two-thirds of the ethanol it uses. The producers in Nebraska are at a competitive disadvantage and any new development would be at a competitive disadvantage because a number of surrounding states have granted production credits to their producers, which is similar to the production credit that we are proposing in LB 1124, as the committee amendments would purport to do. These production credits, then, coupled with Nebraska's current 3-cent excise tax exemption allows producers in surrounding states to sell their ethanol in Nebraska, as I have already said, at a cheaper price than we can produce in Nebraska. So, as amended then, its intention is to correct this situation by creating a production incentive to encourage construction and expansion of plants and to the existing plant in the state and I would like to support the committee amendments.

PRESIDENT: Any further discussion on the committee amendments? If not, the question is the adoption of the committee amendments. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

ASSISTANT CLERK: 26 ayes, 0 nays on adoption of the committee amendments, Mr. President.

PRESIDENT: The committee amendments are adopted. Now back on the advancement of the bill. Any discussion? Senator Schmit.

SENATOR SCHMIT: Mr. President, and members, the committee amendments plus the Warner amendment pretty well become the