

April 4, 1990

LB 1124

Schmit said to you, laid out for you on the amendment, that is exactly what the amendment itself has in it. And I wish we had a handout for you, but really that is what the amendment consists of; and I would ask your support for this amendment.

PRESIDENT: Thank you. Senator Pirsch, please, followed by Senator Morrissey.

SENATOR PIRSCH: Thank you. Just a quick question for Senator Schmit. Senator Schmit, we're talking about a 20 cent per gallon production credit which we are not now giving. Is that correct? And this then will come from what? What are we giving them a credit from?

SENATOR SCHMIT: This comes from the Ethanol Fund, Senator Pirsch. It does not come from the Excise Tax Fund.

SENATOR PIRSCH: Well, is it a rebate back to them?

SENATOR SCHMIT: It is a...I don't want to call it a rebate because there may be some question there, but it is a...it is a payment from the Ethanol Authority Fund which is now in excess of \$18 million right to the producer of the...of the alcohol.

SENATOR PIRSCH: I see.

SENATOR SCHMIT: And I might add there are other states that do that, which places Nebraska alcohol in a very difficult position. For example, Kansas has this kind of a provision; and the producers of ethanol in Kansas can collect that 20 cents then come across the border with their alcohol and take advantage of the 3 cent excise tax credit which they have in this state.

SENATOR PIRSCH: I see that. And it will give the consumer then a reduction from 3 cents to 1 cent per gallon...

SENATOR SCHMIT: To two cents. The saving to the consumer will, instead of being three cents, will be two cents. If you want me to explain that further I can or I can do it on my own time, Senator.

SENATOR PIRSCH: Okay, thank you. That helped clarify it for me.