

SENATOR R. JOHNSON: ...for those folks who use ethanol. His amendment says we will do away with that 2 cent exemption, and in replacement of that, we will extend that combination of 10 cents out of the Ethanol Fund, and 10 cents out of the Highway Trust Fund for the producer credit, extend that beyond the 1994 date to 1997. So you are getting funding for the producer credit from two sources instead of one after '94.

SENATOR PIRSCH: Okay, and that is Senator Schrock's amendment. One of the problems or one of the sticking points I have been told is Section 8, and somebody brought that up in debate. Senator Johnson, could you answer me another question? This is an old tax, right? It was 1 1/2 cents previously...

SENATOR R. JOHNSON: Right.

SENATOR PIRSCH: ...per hundredweight from July '86 to January '88. Why did we have it for that period of time, and why would this not be consistent then to adding it again.

SENATOR R. JOHNSON: When we passed the original authorizing legislation for the Ethanol Authority, LB 1230, I believe, we set in motion a checkoff program of 1 1/2 cents on corn, wheat and sorghum that the producer, as you sold the grain, paid the checkoff, but we also set in place a refund mechanism that you could get a penny back of the 1 1/2 cents. To make it a little cleaner, what Senator Warner's amendment does in Section 9, I believe, or 8, I am not sure which, that funding mechanism simply says we are going to...rather than collect it and refund it, we are just going to have 1/2 cent.

SENATOR PIRSCH: Do the 1/2 cent, but there has been none during that period from '88?

SENATOR R. JOHNSON: No, we have not collected any from...

SENATOR PIRSCH: So it's reinstating that tax, and is that for the same purpose, to get that fund up to \$5 million again?

SENATOR R. JOHNSON: No, under the fund, it is like our underground storage tank bill we just passed, when the fund goes below \$5 million...

SENATOR PIRSCH: Then it will kick in.