LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1072

Introduced by Dungan, 26.

Read first time January 08, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to provide a sales
2 and use tax credit for the sale and use of sustainable aviation
3 fuel.
4 Be it enacted by the people of the State of Nebraska,
Section 1. (1) Beginning October 1, 2024, and through December 31, 2033, sustainable aviation fuel sold to or used by an air carrier, certified by the carrier to the Department of Revenue to be used in Nebraska, earns a credit against any Nebraska sales and use tax imposed on the purchase of sustainable aviation fuel in an amount equal to one dollar and fifty cents per gallon of sustainable aviation fuel purchased.

(2) The purchaser of sustainable aviation fuel shall certify to the seller of the sustainable aviation fuel that the purchaser is satisfying all or part of its Nebraska sales and use tax liability that is due on the purchase of sustainable aviation fuel by use of the credit under this section. The certification shall include the date of the purchase, the name and address of the purchaser, the credit being applied, and a statement that the Nebraska sales and use tax liability is being satisfied with the air carrier's accumulated sustainable aviation fuel purchase credit.

(3) No credit under this section may be earned by an air carrier for soybean oil-derived sustainable aviation fuel in any calendar year once air carriers in Nebraska have collectively purchased sustainable aviation fuel containing ten million gallons or more of soybean oil feedstock in such calendar year.

(4) For purposes of this section, sustainable aviation fuel means liquid fuel that meets the criteria set forth in section 40B(d) and (e) of the Internal Revenue Code of 1986, as amended, or liquid fuel that:

(a) Consists of synthesized hydrocarbons and meets the requirements of:

(i) The American Society for Testing and Materials International Standard D7566; or


(b)(i) Prior to June 1, 2028, is derived from biomass resources, waste streams, renewable energy sources, or gaseous carbon oxides; and
(ii) Beginning on June 1, 2028, is derived from domestic biomass resources; and
(c) Is not derived from any palm derivatives; and
(d) Achieves at least a fifty percent lifecycle greenhouse gas emissions reduction in comparison with petroleum-based jet fuel, as determined by a test that shows that:
   (i) The fuel production pathway achieves at least a fifty percent reduction of the aggregate attributional core lifecycle emissions and the positive induced land use change values under the lifecycle methodology for sustainable aviation fuels adopted by the International Civil Aviation Organization with the agreement of the United States; or
   (ii) The fuel production pathway achieves at least a fifty percent reduction of the aggregate attributional core lifecycle greenhouse gas emissions values utilizing the most recent version of Argonne National Laboratory's GREET model, inclusive of agricultural practices and carbon capture and sequestration.