

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB432

Chairperson: Senator Abbie Cornett

Committee: Revenue

Date of Hearing: February 23, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The Renewable Export Facility Tax Credit Act would provide an incentive for developing renewable energy in ways that provide greater benefits to Nebraskans.

The Act would provide a sales tax credit beginning in 2015 for wind farms and other renewable export facilities that set aside stock for their Nebraska employees and a Nebraska Job and Rural Trust Fund.

The tax credit for stock contributions in the first year of operation would be equal to half of the value of stock contributed to an employee ownership arrangement and the full value of stock contributed to the Trust Fund. Lesser tax credits would apply for legally binding commitments to contribute stock in later years.

The incentive for employee stock ownership would ensure that ordinary rural Nebraskans share in the wealth created by renewable export energy development.

The Nebraska Job and Rural Trust Fund, modeled after the Environmental Trust, would support critical economic and community development initiatives. The majority of the fund would be used for incentive payments modeled on Nebraska Advantage tax credits for Nebraska businesses to make investments and create jobs in the supply chain for wind farms and other generators of renewable electricity.

Triggering the credit in 2015 ensures that it does not worsen the current budget crisis but is in place when the economy recovers and Nebraska reaps benefits from accelerating export wind energy development.

Principal Introducer: _____

Senator Galen Hadley