

One Hundred Second Legislature - Second Session - 2012

Introducer's Statement of Intent

LB1033

Chairperson: Senator Abbie Cornett

Committee: Revenue

Date of Hearing: February 01, 2012

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

LB 1033 would amend the Nebraska Advantage Act by adding a new tier (Tier 7) for the purpose of providing refunds of state and local sales and use taxes for qualified renewable energy projects, including wind energy projects. The bill would provide for two classes of Tier 7 projects: (1) projects with a required level of investment in qualified property of less than \$75 million; and (2) projects with a required level of investment of \$75 million or more.

For projects with qualified investment of *\$75 million or more*, a qualified business would be eligible for: (a) a refund of 75 percent of all state and local sales and use taxes (including “county” and “municipal county” sales and use taxes) paid on all purchases and rentals of qualified property used as part of the project; and (b) a refund of an additional 25 percent of sales and use taxes paid on such purchases and other specified expenditures—even if the expenditures were made before the project application date—if the qualified business spends 25 percent or more of its total expenditures for the project on specified items (e.g., easement payments, qualified contributions to an Employee Stock Ownership Plan, and goods and services that are manufactured, assembled, or fabricated in Nebraska or performed primarily by Nebraska residents or by organizations that are organized under Nebraska law.

For projects with qualified investment of *less than \$75 million*, a qualified business would be eligible for: (a) a refund of 50 percent of all state and local sales and use taxes (including “county” and “municipal county” sales and use taxes) paid on all purchases and rentals of qualified property used as part of the project; (b) a refund of an additional 25 percent of sales and use taxes paid on such purchases and other specified expenditures—even if the expenditures were made before the project application date—if the qualified business spends 25 percent or more of its total expenditures for the project on specified items (e.g., easement payments, qualified contributions to an Employee Stock Ownership Plan, and goods and services that are manufactured, assembled, or fabricated in Nebraska or performed primarily by Nebraska residents or by organizations that are organized under Nebraska law; and (c) a refund of an additional 25 percent of sales and use taxes paid on such purchases and rentals if the taxpayer is a Nebraska resident or if the taxpayer is a business entity at least 25 percent of which is owned by Nebraska residents.

Principal Introducer: _____

Senator Abbie Cornett