

**ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025**  
**COMMITTEE STATEMENT**  
**LB526**

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**Hearing Date:** Wednesday February 12, 2025  
**Committee On:** Revenue  
**Introducer:** Jacobson  
**One Liner:** Provide for an excise tax on cryptocurrency mining and allow public power districts to require payments or letters of credit from cryptocurrency mining operations for certain infrastructure upgrades

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	7	Senators von Gillern, Bostar, Dungan, Ibach, Jacobson, Murman, Sorrentino
<b>Nay:</b>	1	Senator Kauth
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Testimony:**

**Proponents:**

Senator Mike Jacobson  
Kenny Zoeller

**Opponents:**

Matthew Carson  
James Crawford  
Brock Dawson  
Shelley Sahling-Zart  
Ron Tillery

Caleb Grove  
Jordan German  
Bryan Bartels  
Shanon Squires  
Eric Peterson  
Michael Westhoff  
Richard Lowrance

**Neutral:**

Jon Cannon  
Roy Meusch

**Representing:**

Opening Presenter  
Governor Pillen

**Representing:**

AAIM Datacenters, Inc.  
MARA Holdings  
MARA  
Lincoln Electric System  
Nebraska Economic Developers Association,  
Nebraska Chamber of Commerce & Industry, Phelps  
County Development Corp.  
Wildcat Blockchain, LLC  
Self  
Deep Root, Cornerstone Christian Schools  
Compass Mining  
Satoshi Action Fund  
Jigowatt, LLC  
Deep Root Energy

**Representing:**

Nebraska Association of County Officials  
Nebraska Association of County Assessors



**Summary of purpose and/or changes:**

LB526 creates new statutes that would give public power districts (districts) authority to require potential cryptocurrency (crypto) mining operations to pay the cost of significant infrastructure upgrades up front through either direct payments or letters of credit to the districts. The bill allows districts to set terms and conditions for the upgrades and requires districts to do a grid impact study prior to accepting payments or letters of credit. The bill also imposes a two and one-half cent per kilowatt hour excise tax on crypto mining operations that exceed one thousand kilowatt hours a calendar year. The revenue this excise tax creates will be credited to the General Fund.

**Section-by-Section Summary:**

Section 1: Creates a new section of law authorizing districts to require direct payment or a letter of credit from a crypto mining operation for the cost of significant infrastructure upgrades needed for the operation. Authorizes the districts to set terms and conditions for such upgrades. Requires that such payments or letters of credit to be fair, reasonable, and not unduly discriminatory. Requires the districts to conduct a grid impact study prior to accepting direct payments or letters of credit. Provides definitions for purposes of the section.

Section 2: Creates a new section of law levying a two and one-half cent per kilowatt hour excise tax on the energy used to conduct crypto mining over one thousand kilowatt hours per calendar year. Exempts data processing centers, cloud computing services, and all other technology entities not involved in crypto mining. Outlines that the excise tax be paid to the Department of Revenue monthly and shall be remitted to the General Fund. Provides definitions for purposes of the section.

Section 3: Amends section 70-655 to authorize the board of directors of any district to carry out the provisions of sections 1 and 2.

Section 4: Sets an operative date of October 1, 2025.

Section 5: Repealer.

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**Explanation of amendments:**

AM 691 strikes the original sections and replaces them with the following two sections. The two and one-half cent per kilowatt hour excise tax found in section 2 of LB 526 is struck and not included in AM 691.

Section 1: For purposes of this section, defines "cryptocurrency mining", "cryptocurrency mining operation", and "public power supplier". Provides that a public power supplier may impose requirements on any cryptocurrency mining operation for the cost of infrastructure upgrades necessitated by such operations, including, but not limited to, requiring direct payment or a letter of credit for such cost, or imposing terms and conditions on such operation. Such requirements shall be fair, reasonable, and not unduly discriminatory. Before any requirement is imposed by a public power supplier, such supplier shall conduct a load study to determine the costs, impacts, and upgrades necessitated. Any person intending to install a cryptocurrency mining operation must notify the local public power supplier of such intent, and such operation is subject to the interconnection requirements of such supplier. Each public power supplier shall publicly publish on its website the number of cryptocurrency mining operations under the supplier's jurisdiction and the annual energy usage of each operation. A cryptocurrency mining operation shall allow a public power supplier to interrupt such operation's electric service according to the supplier's established rate schedules and policies.

Section 2: Sets an operative date of October 1, 2025. This is the same operative date as in the original bill.



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R. Brad von Gillern, Chairperson

