

ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026
COMMITTEE STATEMENT
LB815

Hearing Date: Tuesday February 03, 2026
Committee On: Agriculture
Introducer: Brandt
One Liner: Provide for a tax on diesel fuels, change provisions relating to refunds for motor fuel taxes and the petroleum release remedial action fee, change and eliminate provisions of the Ethanol Development Act, and eliminate the Ethanol Production Incentive Cash Fund

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

Vote Results:
Aye: 6 Senators DeKay, Hansen, Holdcroft, Kauth, Ibach, Meyer, F.
Nay:
Absent:
Present Not Voting: 2 Senators Storm, Raybould

Testimony:

Proponents:

Senator Tom Brandt
Jan tenBensel
Ben Rhodes
Randy L. Gard
Dawn Caldwell

John K. Hansen

Opponents:

Mark Whitehead

Neutral:

* ADA Accommodation Written Testimony

Representing:

Opening Presenter
Nebraska Ethanol Board
Nebraska Ethanol Board
Bosselman Enterprises
Renewable Fuels Nebraska, Nebraska Corn Growers Association, Nebraska Farm Bureau, Nebraska Sorghum Growers Association, Nebraska Soybean Association, Nebraska State Dairy Association, Nebraska Wheat Growers Association
Nebraska Farmers Union

Representing:

Whitehead Oil Company, Nebraska Petroleum Marketers and Convenience Store Association, Nebraska Grocery Industry, Nebraska State Chamber

Representing:

Summary of purpose and/or changes:

LB 815 changes membership on the Ethanol Board, updates statutes defining the mission of the Board and the



ethanol market development authorities it administers, and changes provisions for revenue streams supporting the Board's activities. The bill also exempts dyed diesel from the petroleum remedial release assessment but increases the assessment against clear diesel.

Section-by-Section Summary:

Sec. 1: Amends §66-489 to impose an excise tax of $\frac{1}{4}$ cent per gallon on diesel fuel dyed and chemically marked for off-road use beginning October 1, 2026 and directs proceeds of the tax be remitted to the Agricultural Alcohol Fuel Tax Fund.

Sec. 2: Amends §66-726 which provides a mechanism for fuel users to claim a refund of motor fuel taxes collected on motor fuels used for an exempt, off-road purpose. Current law provides that 3.5 cents per gallon of motor fuel taxes and 1 cent per gallon of diesel fuel tax are deducted from the refund paid and retained in the Highway Trust Fund. LB 815 strikes transfers of retained refund amounts to the Ethanol Production Incentive Cash Fund and the Agricultural Alcohol Fuel Tax Fund.

Sec. 3: Amends §66-1331 of the Ethanol Development Act which states legislative findings and declarations. LB 815 revises this section to restate findings to align with contemporary conditions of the ethanol industry and related purposes of the Act.

Sec. 4: Amends §66-1332 which declares the public policy objectives of the Ethanol Development Act. LB 815 revises this section to restate policy objectives in a contemporary context.

Sec. 5: Amends §66-1333 which defines terms for purposes of the Ethanol Development Act. LB 415 redefines the terms "agricultural production facility" and "name-plate design capacity", inserts a new defined term for "ethanol producer", and strikes the term "related parties."

Sec. 6: Amends §66-1334 which creates the Agricultural Alcohol Fuel Tax Fund and lists permitted uses of the fund. LB 815 designates the fund to receive proceeds of the excise tax imposed by section 1 of the bill and deletes designation of the fund as the repository of retained motor fuel tax refunds currently credited to the fund that are stricken in section 2 of the bill. LB 815 also revises permitted uses of the fund with contemporary objectives.

Sec. 7: Amends §66-1335 which creates the Nebraska Ethanol Board and designates its membership. LB 815 expands the current seven-member board to 9 members, with two new seats designated to be held by ethanol producers appointed to staggered terms. Beginning Sept. 1, 2026, the qualification of the existing business member is changed to require that seat is also to be held by an ethanol producer.

Sec. 8: Amends §66-1337, which assigns administrative authorities to the Nebraska Ethanol Board, to remove an authority to acquire title to commodities.

Sec. 9: Amends §66-1338 to authorize the Nebraska Ethanol Board to become a member of any trade organization that facilitates the Board in carrying out its duties.

Sec. 10: Amends §66-1340 to strike provisions authorizing the Nebraska Ethanol Board to accept title to grain or commodities from federal agencies.

Sec. 11: Amends §66-1521 to remove a $\frac{3}{10}$ th cent per gallon fee on dyed diesel remitted to the Petroleum Release Remedial Action Cash Fund and increases the fee assessed against all other diesel products remitted to that fund to $\frac{6}{10}$ th cent per gallon.



Sec. 12: Operative dates

Secs 13 & 14: Repealers

Sec: 15: Outright repeals §§66-1342, 66-1344.01, 66-1345, 66-1345.05 and 66-1348. These sections are remaining provisions of obsolete or expired ethanol production incentive programs.

Explanation of amendments:

The committee amendment (AM2131) revises §66-489 in section 1 of the bill to direct that the first \$140,000 annually of proceeds of the 1/4 cent excise tax on dyed diesel imposed by that section be remitted to the Motor Fuel Tax Enforcement and Collection Cash Fund and the remainder to the Agricultural Alcohol Fuel Tax Fund. AM2131 inserts a new section which becomes section 3 of the bill amending §66-739, which creates the Motor Fuel Tax Enforcement and Collection Cash Fund, with a harmonizing revision to that section. The remaining sections of bill are renumbered accordingly.

AM2131 also revises the definition of "ethanol producer" in §66-1333 found in section 5 of the bill as introduced. LB 815 defines that term to mean a person who owns or operates an ethanol facility or a person who devotes 50% of professional time to ethanol production operations. AM2131 omits the owner-operator portion of the definition, and revises the definition to mean a person who devotes at least 50% of professional time to ethanol production facility operational or business management.

Barry DeKay, Chairperson

