

February 17, 1981

LB 104

SENATOR KAHLE: So we are still...we are over the 20 million a long ways then?

SENATOR SCHMIT: Yes, we are.

SENATOR KAHLE: Are we still forgiven the tax on the whole amount?

SENATOR SCHMIT: Yes.

SENATOR KAHLE: What are you doing with this then?

SENATOR SCHMIT: The original legislation, because we had no idea in 1971, in fact, we were told that there would never be any sales, we said that if and when the sales of gasohol or the alcohol blended fuels would reach 20 million gallons annually, the Legislature would review the legislation that provided for the exemption. We reached the 35 million gallons last year, so we are in excess of the 20 million gallons. I discussed it with several members of the Legislature and it is apparent that the matter of whether or not the state wants to continue the exemption for alcohol blended fuels is one which will need to be discussed annually regardless of whether it is mentioned in the legislation or not. But when you have this kind of wording in the law, the people who would invest money in the construction of an alcohol plant look at it as a red flag and say, well, we really don't know if we should build in Nebraska because every 20 million gallons that is sold we will have to review the legislation. I think that, as I have said earlier, there is going to be a time when alcohol fuels will stand on their own feet, but at the present time I would be....I think we need this to remove this language.

SENATOR KAHLE: What you are saying then is that there is no limit to how much you can sell now with the tax off of it?

SENATOR SCHMIT: That's right.

SENATOR KAHLE: Okay, now I understand it. Thank you.

SENATOR SCHMIT: Thank you.

PRESIDENT: Any further discussion on the committee amendment to LB 104? If not, Senator Schmit, does that conclude your remarks on that? The question then is the adoption of the committee amendment on LB 104. All those in favor vote aye, opposed nay. Record the vote.