



Hundredth Legislature - Second Session - 2008  
**Introducer's Statement of Intent**  
**LB 1040**

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**Chairperson:** Ray Janssen  
**Committee:** Revenue  
**Date of Hearing:** January 30, 2008

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

LB 1040 is intended to provide revenue for the Water Resources Cash Fund by placing an excise tax on ethanol. To that end, the bill places a one-cent tax on every gallon of ethanol produced in Nebraska and directs revenue to the Water Resources Cash Fund. The tax would begin October 12, 2012 (which is the date that the corn check-off ends) and sunset September 20, 2019.

Water Resources Cash Fund

The Water Resources Cash Fund was created last year by passage of LB 701 and is to be used by the Department of Natural Resources to reduce water use in overappropriated areas, fully appropriated areas, and areas bound by the terms of an interstate compact, decree, formal state contract, or agreement.

**Principal Introducer:** \_\_\_\_\_  
**Senator LeRoy J. Loudon**