



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 846

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 846 imposes a 5% excise tax on motor fuels based on the average wholesale price of gasoline that will be paid on the number of gallons sold. The tax is collected at the wholesale level, and will be paid in the same manner as the current gas tax. The average wholesale price will be adjusted twice a year in April and November and will be based off an average price over the past six months. The average wholesale price cannot be increased or decreased by more than 25% over the previous six month period.

The state and local governments will share in the wholesale tax revenue with 66% going to the state and 34% going to the cities and counties. The distribution to the individual counties and cities will be accomplished through the current Highway Allocation formula.

LB 846 reduces the fixed portion of the gas tax (currently at 10.5 cents) by eight cents to off-set some of the wholesale tax's additional revenue.

The tax will take effect January 1, 2009.

Principal Introducer: _____
Senator Deb Fischer