



One Hundred First Legislature - Second Session - 2010
Introducer's Statement of Intent
LB 774

Chairperson: Abbie Cornett
Committee: Revenue
Date of Hearing: February 10, 2010

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

LB 774 makes a change in Nebraska Revenue Law based on the Nebraska Net Metering Act which was passed last year in LB 435. Net metering allows customers to generate their own electricity through renewable energy and trade it one for one with the utility.

The Department of Revenue issued a revenue rulling that requires a utility to collect sales taxes on energy distributed to a customer even if that energy is later offset in the same billing cycle with energy produced by the customer. The problem created by this ruling is that this goes against the policy of net metering and there are technical difficulties and expenses associated with a utility calculating this amount.

LB 774 changes the law so that sales taxes are collected only on the net amount of electricity used by a customer for the month.

Principal Introducer: _____
Senator Ken Haar