

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 411**

Introduced by Nordquist, 7.

Read first time January 22, 2013

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-27,235, Revised Statutes Cumulative Supplement, 2012;  
3 to change a renewable energy tax credit; and to repeal  
4 the original section.  
5 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 77-27,235, Revised Statutes Cumulative  
2 Supplement, 2012, is amended to read:

3                   77-27,235 (1) Any producer of electricity generated by a  
4 ~~new~~renewable electric generation facility shall earn a renewable  
5 energy tax credit. For electricity generated on or after ~~July~~January  
6 1, 2014, and before January 1, 2015, the credit shall be 0.5 cent for  
7 each kilowatt-hour of electricity generated by a renewable electric  
8 generation facility. For electricity generated on or after January 1,  
9 2015, and before January 1, 2017, the credit shall be 1.5 cents for  
10 each kilowatt-hour of electricity generated by a renewable electric  
11 generation facility. For electricity generated on or after January 1,  
12 2017, and before January 1, 2019, the credit shall be 0.75 cent per  
13 kilowatt-hour for electricity generated by a renewable electric  
14 generation facility. For electricity generated on or after January 1,  
15 2019, the credit shall be 0.5 cent per kilowatt-hour for electricity  
16 generated by a renewable electric generation facility. ~~14, 2006, and~~  
17 ~~before October 1, 2007, the credit shall be .075 cent for each~~  
18 ~~kilowatt hour of electricity generated by a new renewable electric~~  
19 ~~generation facility. For electricity generated on or after October 1,~~  
20 ~~2007, and before January 1, 2010, the credit shall be .1 cent for~~  
21 ~~each kilowatt hour of electricity generated by a new renewable~~  
22 ~~electric generation facility. For electricity generated on or after~~  
23 ~~January 1, 2010, and before January 1, 2013, the credit shall be .075~~  
24 ~~cent per kilowatt hour for electricity generated by a new renewable~~  
25 ~~electric generation facility. For electricity generated on or after~~

1 ~~January 1, 2013, the credit shall be .05 cent per kilowatt hour for~~  
2 ~~electricity generated by a new renewable electric generation~~  
3 ~~facility. The credit may be earned for production of electricity for~~  
4 ~~ten years after the date that the facility is placed in operation on~~  
5 ~~or after July 14, 2006.~~

6           (2) For purposes of this section, renewable electric  
7 generation facility means a facility located within this state that  
8 is placed into commercial operation on or after January 1, 2013, and  
9 produces electricity in this state using solar, wind, biomass, or  
10 landfill gas as a fuel source. Such facility may also generate  
11 electricity using other fuel sources, but only electricity generated  
12 from one of the fuel sources listed in this subsection shall be  
13 eligible for the renewable energy tax credit. †

14           ~~(a) Electricity generated by a new renewable electric~~  
15 ~~generation facility means electricity that is exclusively produced by~~  
16 ~~a new renewable electric generation facility;~~

17           ~~(b) Eligible renewable resources means wind, moving~~  
18 ~~water, solar, geothermal, fuel cell, methane gas, or photovoltaic~~  
19 ~~technology; and~~

20           ~~(c) New renewable electric generation facility means an~~  
21 ~~electrical generating facility located in this state that is first~~  
22 ~~placed into service on or after July 14, 2006, which utilizes~~  
23 ~~eligible renewable resources as its fuel source.~~

24           (3) The credit allowed under this section may be used to  
25 reduce the producer's ~~Nebraska~~ income tax liability ~~or to obtain a~~

1 ~~refund of state sales and use taxes paid by the producer of~~  
2 ~~electricity generated by a new renewable electric generation~~  
3 ~~facility. A claim to use the credit for refund of the state sales and~~  
4 ~~use taxes paid, either directly or indirectly, by the producer may be~~  
5 ~~filed quarterly for electricity generated during the previous quarter~~  
6 ~~by the twentieth day of the month following the end of the calendar~~  
7 ~~quarter. The credit may be used to obtain a refund of state sales and~~  
8 ~~use taxes paid during the quarter immediately preceding the quarter~~  
9 ~~in which the claim for refund is made, except that the amount~~  
10 ~~refunded under this subsection shall not exceed the amount of the~~  
11 ~~state sales and use taxes paid during the quarter. under the Nebraska~~  
12 ~~Revenue Act of 1967, franchise tax liability under sections 77-3801~~  
13 ~~to 77-3807, or premium and related retaliatory tax liability imposed~~  
14 ~~by section 44-150 or 77-908. The credit shall be transferable.~~

15 (4) The Department of Revenue may adopt and promulgate  
16 rules and regulations to permit verification of the validity and  
17 timeliness of any renewable energy tax credit claimed.

18 (5) The total amount of renewable energy tax credits that  
19 may be used by ~~all taxpayers~~ a taxpayer in any tax year shall be  
20 limited to fifty thousand two million dollars. ~~without further~~  
21 ~~authorization from the Legislature.~~

22 (6) ~~The credit allowed under this section may not be~~  
23 ~~claimed by a producer who received a sales tax exemption under~~  
24 ~~section 77-2704.57 for the new renewable electric generation~~  
25 ~~facility. The credit allowed under this section may be earned for~~

1 production of electricity for eight years after the date that the  
2 facility or portion of the facility eligible for the tax credit is  
3 placed into commercial operation.

4           Sec. 2. Original section 77-27,235, Revised Statutes  
5 Cumulative Supplement, 2012, is repealed.