

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB215

Chairperson: Senator Jim Smith

Committee: Revenue

Date of Hearing: February 03, 2017

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

Legislative Bill 215 creates an E-15 tax credit, offering retailers a 5-cent income tax credit on each gallon of E-15 sold. This 5-cent credit allows retailers to make the price of E-15 more attractive to consumers and encourages the use of this fuel that many Nebraskans may not be familiar with. This difference in price will ultimately lead to more gallons of ethanol used—strengthening Nebraska’s renewable fuels industry. This bill will also help Nebraska demonstrate the viability of higher-level blends and deploy the increasing levels of renewable fuels contemplated under the federal Renewable Fuels Standard.

E-15 (15% ethanol, 85% gasoline) is a higher-octane fuel approved for use in model year 2001 and newer cars, light-duty trucks, medium-duty passenger vehicles (SUVs), and all flex-fuel vehicles by the U.S. Environmental Protection Agency in 2012. This approved group of vehicles includes more than 80% of the cars, trucks, and SUVs on the road today. The fuel consumed by these vehicles constitutes more than 85% of the unleaded fuel sold.

The credit is capped at \$1 million annually (20 million gallons of E-15).

Principal Introducer: _____

Senator Burke Harr