

AMENDMENTS TO LB 84

(Amendments to AM1025)

Introduced by Louden

1           1. Strike sections 6 and 7 and insert the following new  
2 sections:

3           Sec. 6. Section 66-489, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           66-489 (1) At the time of filing the return required by  
6 section 66-488, such producer, supplier, distributor, wholesaler,  
7 or importer shall, in addition to the tax imposed pursuant  
8 to sections 66-489.02, 66-4,140, 66-4,145, and 66-4,146 and in  
9 addition to the other taxes provided for by law, pay a tax of  
10 ~~seven and one-half~~ twelve and one-half cents per gallon upon all  
11 motor fuels as shown by such return, except that there shall be  
12 no tax on the motor fuels reported if (a) the required taxes on  
13 the motor fuels have been paid, (b) the motor fuels have been sold  
14 to a licensed exporter exclusively for resale or use in another  
15 state, (c) the motor fuels have been sold from a Nebraska barge  
16 line terminal, pipeline terminal, refinery, or ethanol or biodiesel  
17 facility, including motor fuels stored offsite in bulk, by a  
18 licensed producer or supplier to a licensed distributor, (d) the  
19 motor fuels have been sold by a licensed distributor or licensed  
20 importer to a licensed distributor or to a licensed wholesaler  
21 and the seller acquired ownership of the motor fuels directly from  
22 a licensed producer or supplier at or from a refinery, barge,

1 barge line, pipeline terminal, or ethanol or biodiesel facility,  
2 including motor fuels stored offsite in bulk, in this state or  
3 was the first importer of such fuel into this state, or (e)  
4 as otherwise provided in this section. Such producer, supplier,  
5 distributor, wholesaler, or importer shall remit such tax to the  
6 department.

7 (2) As part of filing the return required by section  
8 66-488, each producer of ethanol shall, in addition to other  
9 taxes imposed by the motor fuel laws, pay an excise tax of one  
10 and one-quarter cents per gallon through December 31, 2004, and  
11 commencing January 1, 2010, and two and one-half cents per gallon  
12 commencing January 1, 2005, through December 31, 2009, on natural  
13 gasoline purchased for use as a denaturant by the producer at  
14 an ethanol facility. All taxes, interest, and penalties collected  
15 under this subsection shall be remitted to the State Treasurer  
16 for credit to the Agricultural Alcohol Fuel Tax Fund, except that  
17 commencing January 1, 2005, through December 31, 2009, one and  
18 one-quarter cents per gallon of such excise tax shall be credited  
19 to the Ethanol Production Incentive Cash Fund. For fiscal years  
20 2007-08 through 2011-12, if the total receipts from the excise  
21 tax authorized in this subsection and designated for deposit in  
22 the Agricultural Alcohol Fuel Tax Fund exceed five hundred fifty  
23 thousand dollars, the State Treasurer shall deposit amounts in  
24 excess of five hundred fifty thousand dollars in the Ethanol  
25 Production Incentive Cash Fund.

26 (3) (a) Motor fuels, methanol, and all blending agents  
27 or fuel expanders shall be exempt from the taxes imposed by this

1 section and sections 66-489.02, 66-4,105, 66-4,140, 66-4,145, and  
2 66-4,146, when the fuels are used for buses equipped to carry  
3 more than seven persons for hire and engaged entirely in the  
4 transportation of passengers for hire within municipalities or  
5 within a radius of six miles thereof.

6 (b) The owner or agent of any bus equipped to carry  
7 more than seven persons for hire and engaged entirely in the  
8 transportation of passengers for hire within municipalities, or  
9 within a radius of six miles thereof, in lieu of the excise tax  
10 provided for in this section, shall pay an equalization fee of a  
11 sum equal to twice the amount of the registration fee applicable to  
12 such vehicle under the laws of this state. Such equalization fee  
13 shall be paid in the same manner as the registration fee and be  
14 disbursed and allocated as registration fees.

15 (c) Nothing in this section shall be construed as  
16 permitting motor fuels to be sold tax exempt. The department  
17 shall refund tax paid on motor fuels used in buses deemed exempt by  
18 this section.

19 (4) Natural gasoline purchased for use as a denaturant  
20 by a producer at an ethanol facility as defined in section 66-1333  
21 shall be exempt from the motor fuels tax imposed by subsection (1)  
22 of this section as well as the tax imposed pursuant to sections  
23 66-489.02, 66-4,140, 66-4,145, and 66-4,146.

24 (5) Unless otherwise provided by an agreement entered  
25 into between the State of Nebraska and the governing body of any  
26 federally recognized Indian tribe within the State of Nebraska,  
27 motor fuels purchased on a Nebraska Indian reservation where the

1 purchaser is a Native American who resides on the reservation shall  
2 be exempt from the motor fuels tax imposed by this section as  
3 well as the tax imposed pursuant to sections 66-489.02, 66-4,140,  
4 66-4,145, and 66-4,146.

5 (6) Motor fuels purchased for use by the United States  
6 Government or its agencies shall be exempt from the motor fuels  
7 tax imposed by this section as well as the tax imposed pursuant to  
8 sections 66-489.02, 66-4,140, 66-4,145, and 66-4,146.

9 (7) In the case of diesel fuel, there shall be no tax on  
10 the motor fuels reported if (a) the diesel fuel has been indelibly  
11 dyed and chemically marked in accordance with regulations issued by  
12 the Secretary of the Treasury of the United States under 26 U.S.C.  
13 4082 or (b) the diesel fuel contains a concentration of sulphur  
14 in excess of five-hundredths percent by weight or fails to meet  
15 a cetane index minimum of forty and has been indelibly dyed in  
16 accordance with regulations promulgated by the Administrator of the  
17 Environmental Protection Agency pursuant to 42 U.S.C. 7545.

18 (8) The changes made to this section by ~~Laws 2008, LB~~  
19 ~~846, this legislative bill~~ apply for tax periods beginning on and  
20 after ~~July 1, 2009.~~ January 1, 2012.

21 (9) The tax revenue from the increase in the tax rate  
22 provided by this legislative bill shall be remitted to the State  
23 Treasurer for credit to the State Highway Capital Improvement Fund.

24 Sec. 7. Section 66-4,105, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

26 66-4,105 There is hereby levied and imposed an excise  
27 tax of ~~seven and one-half~~ twelve and one-half cents per gallon,

1 increased by the amounts imposed or determined under sections  
2 66-489.02, 66-4,140, 66-4,145, and 66-4,146, upon the use of all  
3 motor fuels used in this state and due the State of Nebraska under  
4 section 66-489. Users of motor fuels subject to taxation under  
5 this section shall be allowed the same exemptions, deductions,  
6 and rights of reimbursement as are authorized and permitted by  
7 Chapter 66, article 4, other than any commissions provided under  
8 such article. For purposes of this section and section 66-4,106,  
9 use shall mean the purchase or consumption of motor fuels in this  
10 state. The changes made to this section by ~~Laws 2008, LB 846,~~ this  
11 legislative bill apply for tax periods beginning on and after ~~July~~  
12 ~~1, 2009.~~ January 1, 2012. The tax revenue from the increase in the  
13 tax rate provided by this legislative bill shall be remitted to the  
14 State Treasurer for credit to the State Highway Capital Improvement  
15 Fund.

16           Sec. 8. Section 66-6,107, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18           66-6,107 In addition to the tax imposed pursuant to  
19 sections 66-6,108, 66-6,109, and 66-6,109.02, an excise tax of  
20 ~~seven and one-half~~ twelve and one-half cents per gallon or gallon  
21 equivalent is levied and imposed on all compressed fuel sold  
22 for use in registered motor vehicles. The changes made to this  
23 section by ~~Laws 2008, LB 846,~~ this legislative bill apply for  
24 tax periods beginning on and after ~~July 1, 2009.~~ January 1, 2012.  
25 The tax revenue from the increase in the tax rate provided by  
26 this legislative bill shall be remitted to the State Treasurer for  
27 credit to the State Highway Capital Improvement Fund.

- 1                   Sec. 9. This act becomes operative on January 1, 2012.
- 2                   Sec. 10. Original sections 66-489, 66-4,105, and
- 3 66-6,107, Reissue Revised Statutes of Nebraska, are repealed.