

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB411

Chairperson: Senator Galen Hadley

Committee: Revenue

Date of Hearing: March 06, 2013

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

It is the intent of LB 411 to enhance a state-level renewable energy production tax credit as the federal production tax credit phases out, thus giving Nebraska a significant advantage in attracting and developing the renewable energy investments in our state.

Currently, a small renewable energy tax credit exists in Nebraska for electricity generated by a new renewable electricity generation facility at \$0.0005/per kilowatt hour. The total amount of the current renewable energy tax credit for all taxpayers is capped at \$50,000 per year. LB 411 ends the current credit and creates a new incentive.

LB 411 enhances this state-level production tax credit for renewable electric generation facilities placed into operation on or after January 1, 2013 by increasing the amount of the tax credit and making it transferable. The credit, as established by LB 411, will be implemented as follows:

- From January 1, 2014 and before January 1, 2015 – tax credit of \$0.005/per kilowatt-hour
- From January 1, 2015 and before January 1, 2017 – tax credit of \$0.015/per kilowatt-hour
- From January 1, 2017 and before January 1, 2019 – tax credit of \$0.075/per kilowatt-hour
- From January 1, 2019 onward – tax credit of \$0.005/per kilowatt-hour

LB 411 caps the renewable energy tax credits for any taxpayer in any tax year at \$2 million. The credit allowed under LB 411 may be earned for production of renewable electricity for 8 years after the date that the facility is placed into operation.

Principal Introducer: _____

Senator Jeremy Nordquist