

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1072

Introduced by Dungan, 26.

Read first time January 08, 2024

Committee:

- 1 A BILL FOR AN ACT relating to revenue and taxation; to provide a sales
- 2 and use tax credit for the sale and use of sustainable aviation
- 3 fuel.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) Beginning October 1, 2024, and through December 31,
2 2033, sustainable aviation fuel sold to or used by an air carrier,
3 certified by the carrier to the Department of Revenue to be used in
4 Nebraska, earns a credit against any Nebraska sales and use tax imposed
5 on the purchase of sustainable aviation fuel in an amount equal to one
6 dollar and fifty cents per gallon of sustainable aviation fuel purchased.

7 (2) The purchaser of sustainable aviation fuel shall certify to the
8 seller of the sustainable aviation fuel that the purchaser is satisfying
9 all or part of its Nebraska sales and use tax liability that is due on
10 the purchase of sustainable aviation fuel by use of the credit under this
11 section. The certification shall include the date of the purchase, the
12 name and address of the purchaser, the credit being applied, and a
13 statement that the Nebraska sales and use tax liability is being
14 satisfied with the air carrier's accumulated sustainable aviation fuel
15 purchase credit.

16 (3) No credit under this section may be earned by an air carrier for
17 soybean oil-derived sustainable aviation fuel in any calendar year once
18 air carriers in Nebraska have collectively purchased sustainable aviation
19 fuel containing ten million gallons or more of soybean oil feedstock in
20 such calendar year.

21 (4) For purposes of this section, sustainable aviation fuel means
22 liquid fuel that meets the criteria set forth in section 40B(d) and (e)
23 of the Internal Revenue Code of 1986, as amended, or liquid fuel that:

24 (a) Consists of synthesized hydrocarbons and meets the requirements
25 of:

26 (i) The American Society for Testing and Materials International
27 Standard D7566; or

28 (ii) The Fischer-Tropsch provisions of the American Society for
29 Testing and Materials International Standard D1655, Annex A1;

30 (b)(i) Prior to June 1, 2028, is derived from biomass resources,
31 waste streams, renewable energy sources, or gaseous carbon oxides; and

1 (ii) Beginning on June 1, 2028, is derived from domestic biomass
2 resources;

3 (c) Is not derived from any palm derivatives; and

4 (d) Achieves at least a fifty percent lifecycle greenhouse gas
5 emissions reduction in comparison with petroleum-based jet fuel, as
6 determined by a test that shows that:

7 (i) The fuel production pathway achieves at least a fifty percent
8 reduction of the aggregate attributional core lifecycle emissions and the
9 positive induced land use change values under the lifecycle methodology
10 for sustainable aviation fuels adopted by the International Civil
11 Aviation Organization with the agreement of the United States; or

12 (ii) The fuel production pathway achieves at least a fifty percent
13 reduction of the aggregate attributional core lifecycle greenhouse gas
14 emissions values utilizing the most recent version of Argonne National
15 Laboratory's GREET model, inclusive of agricultural practices and carbon
16 capture and sequestration.