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My name is Chuck Hassebrook – C-H-U-C-K H-A-S-S-E-B-R-O-O-K

I am testifying on behalf of the Center for Rural Affairs of Lyons, Nebraska.

LB 432 provides sales tax incentives, beginning in 2015, for developing renewable electricity for export in ways that build Nebraska wealth and businesses and provide a foundation for our state's long-term prosperity.

We have the nation's 4th best wind resource in the nation. The opportunities for our children and grandchildren in our rural communities will depend in part on how we develop it – whether we capture as much of the benefit as possible here in our state or whether the lion's share of the new wealth and opportunities created flow to investors and suppliers beyond our borders.

LB 432 would lower the sales tax on wind turbines and towers for projects that contribute stock to employee ownership arrangements or to a Nebraska Job and Rural Trust for investment in building our economy.

The incentive for employee stock ownership would ensure that ordinary rural Nebraskans share in the wealth created by renewable export energy development.

It would enable ordinary Nebraskans to gain assets that give them and their families the cushion to weather economic storms and the foundation to remain as long-term contributing members of their communities.

Employee stock ownership is a proven concept adopted in some of the nation's premier companies. Research demonstrates that employee-owned companies perform better on most measures of economic performance.

The pride and commitment that come with ownership make a difference.

The Nebraska Job and Rural Trust Fund, modeled after the Environmental Trust, would support critical economic and community development initiatives.

The lion's share of the fund would be used for incentive payments modeled on Nebraska Advantage tax credits for Nebraska businesses to make investments and create jobs in the supply chain for wind farms and other generators of renewable electricity.

The Board of the Trust Fund would establish guidelines for the incentive payments, with an emphasis on supporting businesses in economically distressed rural and urban communities, supporting microenterprise development and creating quality jobs.

In addition, about 1/3 of the assets received by the Trust Fund would be allocated to existing rural development programs and incentives and used in part to offset the cost of raising the \$2 million annual limit on tax credits allocated through the Nebraska Advantage Microenterprise Tax Credit Act.

In closing –

The 2010 Unicameral took the critical first steps to enable development of Nebraska's world class wind resource. It's up to this Unicameral to establish incentives for tapping this golden opportunity to build a stronger long-term economic foundation for our state and communities.

Like the Wyoming coal severance tax, this proposal would capture a portion of the windfall that arrives when wind development accelerates and invest it in building our future.

Triggering the credit in 2015 ensures that it does not worsen the current budget crisis. But it gets the incentives in place to ensure that when the economy recovers, wind is developed in a way that builds wealth among Nebraskans and a foundation for lasting prosperity.

That ultimately is the best way to balance the state budget while meeting the needs of Nebraskans.