



NEBRASKA ETHANOL BOARD

STATE OF NEBRASKA

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PRESS RELEASE

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Ethanol adds millions to state revenue

A new report released by Ethanol Across America shows that U.S. ethanol plants generate hundreds of millions of dollars to local, state, and federal governments through direct and indirect economic generation.

The Economic Impacts of Ethanol Production chronicles the impacts of these facilities through case studies and examination of existing studies. The total of state income taxes and property taxes generated by ethanol plants was more than \$2.2 billion in 2006 and is estimated to approach \$3 billion by 2008.

“These are substantial sums that result directly from these facilities,” said U.S. Senator Ben Nelson (D-NE), Co-Chairman of the Ethanol Across America campaign. “When indirect and induced jobs are considered, along with capital spending and investment, the ethanol industry is adding more than \$40 billion of gross output to the U.S. economy. These are monies that are being returned to our local communities and providing improved public services,” said Senator Nelson.

The report looks at the ripple effect of these facilities and ethanol’s role in reducing gasoline prices. By displacing oil imports, ethanol can reduce the U.S. trade deficit by \$13 billion annually. The USDA estimates that ethanol production will reduce federal farm subsidies by nearly \$1 billion over the next seven years.

“We are keeping U.S. dollars at home—plain and simple,” said U.S. Senator Tim Johnson (D-SD), another member of the Ethanol Across American Advisory Board. “We are increasing net farm receipts, reducing federal farm subsidies, and lowering gasoline prices by expanding the overall fuel supply. And we are doing this with little if any impact on food prices.”

Economists found that a prospective 100 million gallon per year ethanol plant could create \$10 million of annual income in a typical Nebraskan community. Nebraska is the second largest state for ethanol production, with 20 plants producing 1.3 billion gallons per year.

Todd Sneller, administrator of the Nebraska Ethanol Board, said the positive impact ethanol has had on Nebraska is obvious.

“Ethanol has brought thousands of jobs to Nebraska and has created millions in wealth that flows back to our local communities,” Sneller said. “Nebraska ethanol is a four billion dollar industry, and that gets bigger each year.”

Download *The Economic Impacts of Ethanol Production* at <http://www.ne-ethanol.org/pdf/economicimpact.pdf> or request a free copy from the Nebraska Ethanol Board.

Established in 1971, the Ethanol Board assists ethanol producers with programs and strategies for marketing ethanol and related co-products. The Board supports organizations and policies that advocate the increased use of ethanol fuels – and administers public information, education and ethanol research projects. The Board also assists companies and organizations in the development of ethanol production facilities in Nebraska. For more information, please visit www.ne-ethanol.org.