



Growth Energy™
Expanding America's Bioeconomy

January 23, 2025

Representative Adam Smith, Chairman
House Committee on Taxation
Kansas State Capitol
300 SW 10th Street
Topeka, Kansas 66612

Chairman Smith,

Growth Energy is the world's largest association of biofuel producers, representing 97 U.S. plants that each year produce more than 9.5 billion gallons of cleaner-burning, renewable fuel, including five of Kansas' twelve biorefineries. We also represent 123 businesses—including six associate members in Kansas—associated with the production process; and tens of thousands of biofuel supporters around the country. Together, we remain committed to bringing better and more affordable choices at the fuel pump to consumers, helping our country diversify our energy portfolio in order to grow more energy jobs, sustaining family farms, and driving down the costs of transportation fuels for consumers.

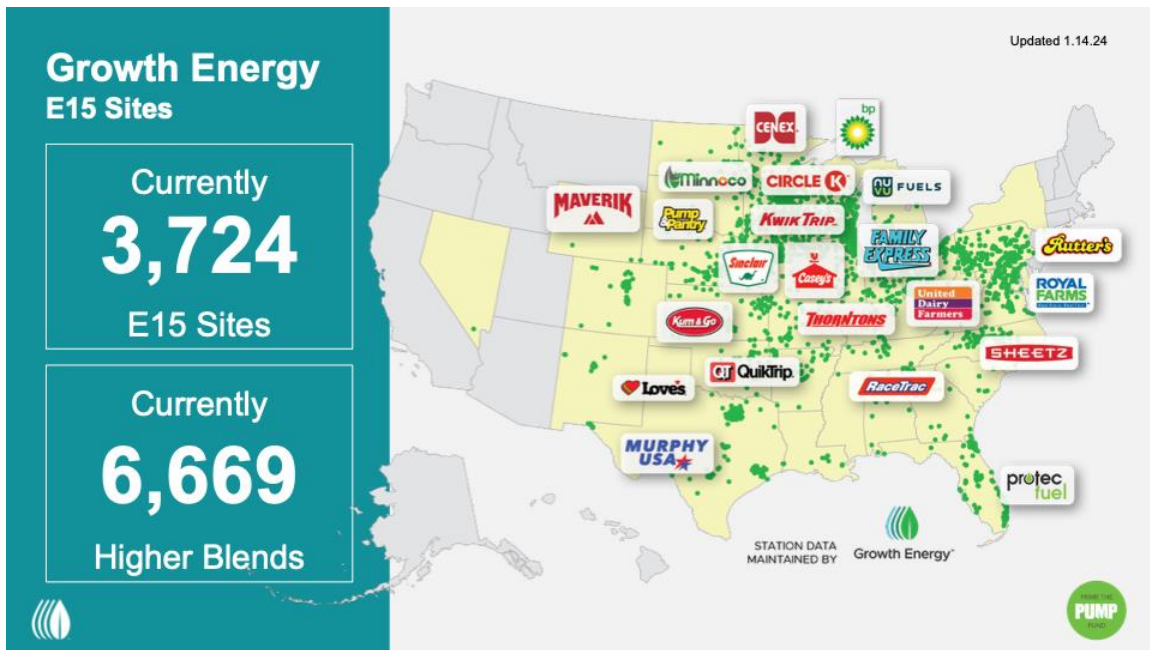
Today, 98 percent of all gasoline sold in the U.S. contains 10 percent bioethanol. E15, a fuel containing up to 15 percent bioethanol, is now available at more than 3,700 retail locations in 33 states, and higher bioethanol blends such as E85 are available at nearly 6,000 sites around the country. In Kansas, there are 72 retail locations selling E15 and 90 locations selling E85.

E15 is approved for all 2001 and newer vehicles, more than 96 percent of all light duty vehicles on the road today. Most vehicles require a minimum octane rating of 87. Bioethanol, with an octane rating of 113, helps meet that in modern cars. Bioethanol is a cleaner, renewable, and cost-effective alternative to toxic chemicals like lead and MTBE.¹ Consumers have now driven more than 140 billion miles on E15, and retailers have conducted millions of transactions with this fuel. There have been no adverse reports of fuel quality experienced with E15 since first being approved 13 years ago.

Growth Energy appreciates this opportunity to support House Bill 2012, which would provide an important tax credit for bioethanol fuel blends from 15 to 85 percent. Specifically, this legislation would provide a non-refundable 5 cent per gallon tax credit to fuel retailers for every gallon of higher bioethanol fuel blends sold. This credit is important as retailers in Kansas continue to build out the market and invest in additional infrastructure to offer these higher bioethanol blends.

¹ <https://growthenergy.org/wp-content/uploads/2024/11/GBIO-24100-Engine-Performance-2024-11-12-R2-1.pdf>

Bioethanol blends such as E15 and E85 also give consumers more affordable choices at the pump. During the summer of 2023, Kansans saved an average of 11 cents per gallon on E15 compared to E10. Providing a 5 cent per gallon tax credit to incentivize a higher bioethanol blend helps hardworking Kansans save on fuel costs without any impact to the state's fuel tax revenue.



This credit will also help Kansas bioethanol producers, corn growers and sorghum producers, and livestock farmers. At a time when American farmers are facing a 25% decrease in farm incomes, Kansas corn growers and sorghum producers can benefit from the increased demand for their crop. The tax credit could result in the purchasing of as much as 1.7 million additional bushels of Kansas corn annually to produce an additional 5 million gallons of bioethanol. This increased production in bioethanol also results in the availability of an additional 29 million pounds of nutrient-rich animal feed, an important co-product in the bioethanol production process, for Kansas livestock farmers.

When considering the consumer savings, the benefits to the agriculture and bioethanol industries, and noting no impact on Kansas' fuel tax revenue, the proposed retail tax credit doesn't affect the state's bottom line. Several Midwestern states have successfully implemented similar tax incentives for higher bioethanol blends. As more states consider incentives, Kansas should ensure its product made from Kansas-grown corn and sorghum benefits Kansas drivers.

Given our experience with retailers around the country offering bioethanol blends, we are happy to assist the committee with technical questions as they consider this important

legislation. We look forward to working with you to finalize this important benefit for Kansas drivers, fuel retailers and farmers. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Bliley". The signature is fluid and cursive, with the first name "Chris" and last name "Bliley" clearly distinguishable.

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy