



Renew Kansas Biofuels Association

February 12, 2025

To: House Committee on Agriculture and Natural Resources
From: Randy Stookey, Senior Vice President of Government Affairs
Re: **Proponent Testimony on HB 2012, providing an income tax credit for the sale and distribution of ethanol blends for motor vehicle fuels.**

Chairman Rahjes and members of the committee, thank you for the opportunity to provide testimony on House Bill 2012. This testimony is submitted on behalf of the Renew Kansas Biofuels Association (Renew Kansas).

Renew Kansas is a voluntary trade association with membership encompassing the spectrum of the biofuels processing industry in the state. Renew Kansas' mission is to serve as a representative voice for the biofuels industry, and to inform the public and government officials of the positive impacts of biofuels on the Kansas economy.

The Kansas biofuels industry includes fuel-grade ethanol and biodiesel processing plants located across the state. The demand for biofuel inputs serves as a price support for corn, sorghum, and soybeans for Kansas farmers.

In addition, each ethanol plant in Kansas employs, on average, 45 workers at an average salary of over \$59,000. Property taxes from our industry help support schools and local government in rural areas across the state.

Renew Kansas supports the benefits to Kansans that flow from the processing of biofuels. In furtherance of that policy, House Bill 2012 represents an investment into Kansas and rural economies.

Approved for use in 2001 by the EPA, E15 fuel can be used in more than 95 percent of cars and trucks on the road today. In fact, U.S. consumers have driven more than 100 billion miles on E15.

E15 fuel is also more cost efficient for consumers. According to national industry groups in December of 2024, purchase of E15 fuel saved drivers an average of 26 cents per gallon over E10.¹ However, access to E15 fuel is limited in Kansas. While E15 fuel is available at more than 3,400 retail locations in 31 states, only 150 Kansas retail locations offer E15.

House Bill 2012 would incentivize fuel retailers to offer E15 and higher blends of ethanol fuel by creating a non-refundable income tax credit for retailers or distributors of higher ethanol blend fuel (from 15 to 85 percent). The tax credit would be 5 cents per gallon of higher ethanol blend sold directly to the final user. Similar legislation has been successful in neighboring states such as Nebraska, Missouri, Iowa, South Dakota, and Illinois.

Roughly one-third of Kansas-grown corn is used for ethanol production - about the amount used to feed livestock. So, in addition to saving Kansas consumers money at the pump, this bill would increase demand for Kansas corn and sorghum, which would benefit Kansas farmers and help put more money back into Kansas rural economies.

HB 2012 promotes the liquid biofuels market in our state, offers consumers opportunities to save money at the pump, and invests in Kansas agriculture and rural economies.

For these reasons, we stand in strong support of the measure and would ask the committee to pass it out favorably.

¹ Plan for year-round E15 fuel included in US funding bill | World Grain, Dec. 18, 2024.