

MEMORANDUM

To: House Committee on Agriculture and Natural Resources

From: The Office of Revisor of Statutes

Date: 2/13/2025

Re: H.B. 2012, as Introduced; Providing an income tax credit for the sale and distribution of ethanol blends for motor vehicle fuels.

Tax Credit Provisions

- A credit would be allowed against the tax liability for retail dealers and distributors selling higher ethanol blends in Kansas for taxable years 2026 through 2031.
- The credit amount would equal \$0.05 per gallon of higher ethanol blend sold and dispensed through metered pumps at a service station or distributed directly to a final user located in Kansas.
- Unused credit amounts could be carried forward for up to five taxable years following the year the credits were allowed, but the credit would not be refundable.
- The total amount of tax credits issued per year would not exceed \$5,000,000.

Definitions

- "Distributor" would mean a person, firm or corporation doing business in Kansas that produces, refines, blends, compounds, manufactures, imports or distributes motor fuel.
- "Higher ethanol blend" would refer to fuel with 15% to 85% ethanol, capable of being dispensed directly into motor vehicle fuel tanks.
- "Retail dealer" would mean a person, firm or corporation doing business in Kansas that owns or operates a retail service station in the state.
- "Retail service station" would mean a location in Kansas selling higher ethanol blend to the public, dispensed directly into vehicle fuel tanks.

H.B. 2012 would become effective upon publication in the statute book.