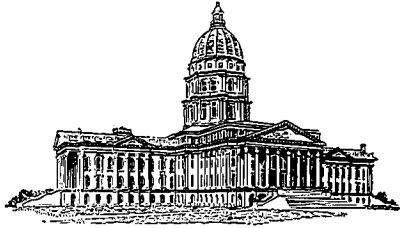


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January 24, 2012

Committee on Energy and Utilities

Thank you for taking time to review my written testimony on House Bill 2455. I had to weigh in as a small business owner in Kansas and in fact a General Motors dealer. Since 1988, we have owned the Concordia Auto Mart Inc. and just over a year ago opened Concordia Chevrolet/Buick, LLC. We at this time have three Chevrolet Volts – two for immediate sale and one in demo service. It was our decision to bring in three cars because we believe in the concept of this new type of vehicle - one that gives a choice to the consumer of which type of fuel to power their transportation. Although we hear talk of the “electric car” this one is much more because you can also put gasoline in the fuel tank. In fact, this car has a 375 mileage range on a full tank. We might call this a backup plan in rural Kansas but in fact, this is a very realistic range in and around the small towns where our customers live and drive.

As I read the bill which would impose a tax called an electricity highway fee, I just noted the amount of quarterly required paperwork - plus another tax to pay on top of the taxes they paid when they bought the car - not to mention the property tax on a 2011 or 2012 vehicle. And I already mentioned the highway fuel tax they also paid at the pump to fill the gas tank. As we discuss the tax environment in Kansas at this time, this bill suggests another new one and I question the timing as this new industry just starts to put these cars on the highway. This is also a very special consumer – one who does a lot of research and is willing to try this new concept. The Chevrolet Volt retails at or above \$40,000. Kansas sales tax I must collect as a Kansas dealer in Cloud County for example will be \$3,320.00 and property tax of \$970.00 for the 1<sup>st</sup> year. I also want to mention that part of this sales tax that I collect - .4 of the 1 cent sales tax increase is earmarked directly to highways in Kansas. I point this out because sales tax dollars collected on these cars will directly help fund the T-works projects just the same as a traditional vehicle. I do realize the sales tax is a one-time tax however the fill up at the filling station isn't. The purchaser also must allow for the charging station and the cost of electricity to charge the car which costs about \$1.50 a day. As you can tell, not only is the Chevrolet Volt a mode of transportation – it is an investment. These buyers are very educated and savvy and a new tax on this industry will be dissuasion. They are looking for a reason to buy – to burn less fossil fuel, to have a choice of fuel for their drive and still get a full performance vehicle.

This new tax will be considered a penalty to potential new buyers and will hurt this type of new innovation which so many people want to see succeed. I do believe this conversation needs to happen however I question the timing of this tax when at the same time we are building and encouraging new technology. Let's give this type of car a chance and see how it performs in the future and consider revisiting this tax conversation - if needed - at a later date.

*Rep Elaine Bowers*

HOUSE ENERGY AND UTILITIES

DATE: 1.24.2012

ATTACHMENT

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