Session of 2025

HOUSE BILL No. 2012

By Committee on Taxation

Requested by Sandy Braden on behalf of POET

1-15

AN ACT concerning taxation; relating to income tax; providing a tax credit for the sale and distribution of ethanol blends for motor vehicle fuels.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) For taxable years 2026 through 2031, there shall be allowed a credit against the tax liability imposed under the Kansas income tax act for a retail dealer that sells higher ethanol blend at such retail dealer's retail service station or a distributor that sells higher ethanol blend directly to the final user located in this state. The amount of the credit shall equal $0.05 per gallon of higher ethanol blend sold by the retail dealer and dispensed through metered pumps at the retail dealer's retail service station or by a distributor directly to the final user located in this state during the tax year for which the tax credit is claimed.

(b) Any unused credit amounts may be carried forward for up to five taxable years immediately following the taxable year for which the credits were allowed. The credit shall not be refundable.

(c) The total amount of tax credits issued pursuant to this section shall not exceed $5,000,000 per tax year.

(d) As used in this section:

(1) "Distributor" means a person, firm or corporation doing business in this state that:

(A) Produces, refines, blends, compounds or manufactures motor fuel;

(B) imports motor fuel into the state; or

(C) is engaged in distribution of motor fuel.

(2) "Higher ethanol blend" means a fuel capable of being dispensed directly into motor vehicle fuel tanks for consumption that is comprised of at least 15% but not more than 85% ethanol.

(3) "Retail dealer" means a person, firm or corporation doing business in this state that owns or operates a retail service station in this state.

(4) "Retail service station" means a location in this state from which higher ethanol blend is sold to the general public and is dispensed directly into motor vehicle fuel tanks for consumption.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.