



Government Affairs

Public Relations

Issue Management

Testimony Submitted By: John J. Federico

On Behalf of: The General Motors Company

HB 2455

Senate Assessment & Taxation Committee

March 6, 2012

Thank you for the opportunity to appear before you today on behalf of The General Motors Company. GM, although an opponent to the original version of HB 2455, is neutral on the bill in its' current form.

The issues GM raised in the House Energy & Utilities Committee during the January 23rd hearing remain valid, but as the bill has taken the form of a "study bill," General Motors has reevaluated its staunch opposition.

The concerns with the original bill were threefold.

First, that any type of additional, legislatively-approved tax on the consumer related to the use of electric vehicles would serve as a crippling impediment to the adoption of this new, burgeoning technology. **Second**, this first-in-the-nation legislation would have been premature as of the 2.6M vehicles registered in Kansas, only 72 are electric vehicles. **Lastly**, and probably most importantly, is the message this would send to Detroit if Kansas were the first, and only state to adopt and implement an electric highway tax policy. As you are aware, the GM manufacturing facility in Kansas City, KS is one of the state's largest employers. GM, not unlike every single corporation in the world, is constantly evaluating the location of their major assets. There are many factors that are considered, including: tax policy, labor relations, and the overall regulatory environment. At a time when states are "rolling out the incentive red carpet" competing for any of the 13 GM manufacturing facilities such as the one in KCK, we need to be extremely reflective when considering legislation that would negatively impact any of our major Kansas employers.

Thank you again. I am happy to respond to any questions at the appropriate time.

Sr. Assmnt & Tax
3-6-12
Attachment # 8