

Testimony Provided to the
House Committee on Taxation - March 18, 2015

Mark Lawlor, Clean Line Energy Partners

In Opposition to H.B. 2401

Chairman Kleeb, Vice-Chairman Suellentrop, Ranking Member Sawyer and Members of the Committee,

As a member of the Wind Coalition and employee of the wind industry, I respectfully submit the following in opposition to H.B. 2401.

Imposing an excise tax on one of our state's fastest growing industries will have a dramatic and negative effect on our economy. This tax hike will drive up the cost of every ratepayer's utility bills as this new tax will ultimately be paid by the consumer.

This tax hike would negatively impact investment in our state and stifle job growth in the growing wind industry.

Our economy has grown under the current tax structure bringing more than \$5.5 billion of capital investment to the state, creating over 3,000 jobs and paying more than \$9 million in annual land payments. The industry also distributes millions of dollars to local counties each year.

The wind industry has invested in this Kansas energy source, created Kansas jobs, benefited rural communities, all without appreciable impact on ratepayers. In fact, this wind energy translates into savings for electricity customers. Kansas lies in the Southwest Power Pool, where wind power saved customers \$1.2 billion in 2013 alone.

The tax hike in H.B. 2401 will only serve to drive a growing renewable energy industry to other states. States like Oklahoma actually provide a tax credit for wind energy. These states don't tax and drive away wind investments but rather incentivize and benefit from wind energy investment.

Like all industries, the renewable industry relies on a stable investment environment when allocating resources. Proposals like this to increase taxes on investments clearly change the rules of the road and send the wrong message to investors. This is not the environment we strive to create here in Kansas. Please vote no to this tax hike and oppose H.B. 2401.

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