

February 18, 2020

Memorandum:

To: House Committee on Taxation
From: Thomas M. Palace Executive Director PMCA of Kansas
Re: Support HB 2543

Mr. Chairman and Members of the House Committee on Taxation:

My name is Tom Palace. I am the Executive Director of the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas), a statewide trade association representing over 300 independent Kansas petroleum distribution companies and convenience store retailers throughout Kansas.

Mr. Chairman and members of the committee, thank you for the opportunity to provide written testimony in support of HB 2543.

HB 2543 has a direct impact on fuel retailers and PMCA is a supporter of offering higher blends of ethanol to the motoring public. While a vast majority of all gasoline sold today contains at least 10% ethanol, the adoption of mid-level blends has been growing rapidly.

This bill does not seek to create a new tax credit, rather, to clarify who will qualify for the credit. Using ethanol in fuel back in 1995 was new the addition of higher blends was not needed. With the change in the definition this will clarify that retailers making the investment in new pumps and tanks to offer the higher blends of ethanol will be able to take advantage of the tax credit.

This bill incentivizes the retailer to add more equipment that allows the higher blends of alternative fuels giving Kansans another option when purchasing fuel.

We urge the committee to support HB 2543.

Thank You