



Growth Energy™  
Expanding America's Bioeconomy

March 11, 2024

Representative Adam Smith, Chairman  
Representative Brian Bergkamp, Vice-Chair  
Representative Tom Sawyer, Ranking Member  
House Committee on Taxation  
Kansas State Capitol  
300 SW 10<sup>th</sup> Street  
Topeka, Kansas 66612

Chairman Smith, Vice-Chair Bergkamp, Ranking Member Sawyer and Members of the Committee,

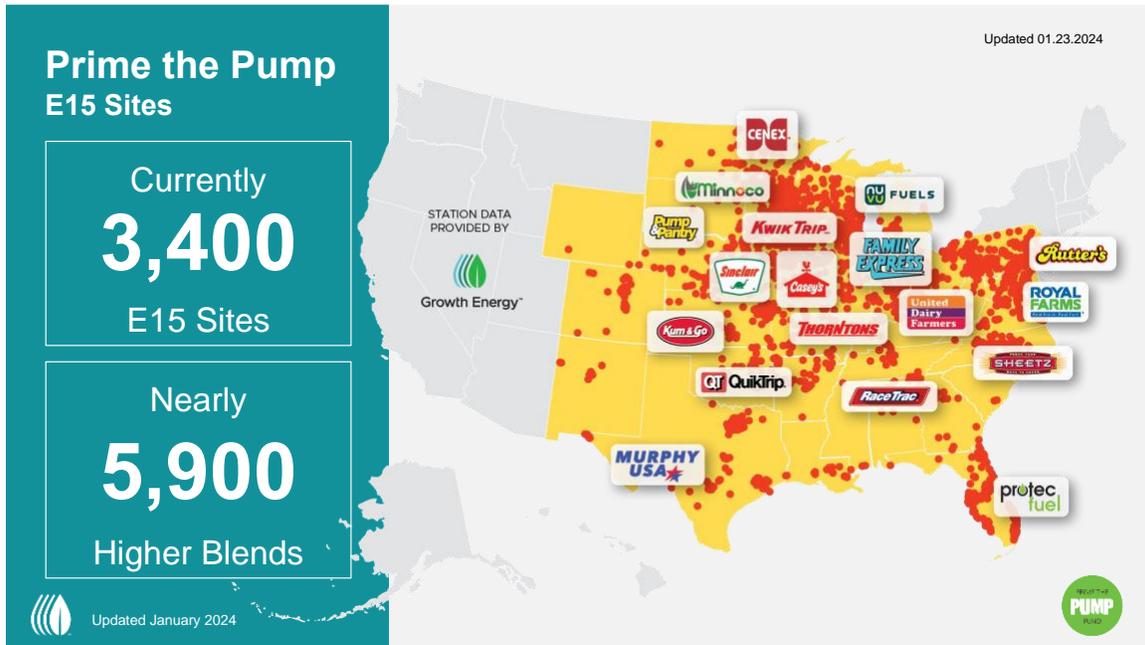
Growth Energy is the world's largest association of biofuel producers, representing 97 U.S. plants that each year produce more than 9 billion gallons of cleaner-burning, renewable fuel – including five of Kansas' twelve biorefineries. We also represent 117 businesses—including six associate members in Kansas—associated with the production process; and tens of thousands of biofuel supporters around the country. Together, we remain committed to bringing better and more affordable choices at the fuel pump to consumers, helping our country diversify our energy portfolio in order to grow more energy jobs, sustaining family farms, and driving down the costs of transportation fuels for consumers.

Today, 98 percent of all gasoline sold in the U.S. contains 10 percent bioethanol. E15 (15 percent bioethanol) is now available at more than 3,400 retail locations in 31 states, and higher bioethanol blends such as E85 are available at nearly 6,000 sites around the country. In Kansas, there are 71 retail locations selling E15 and 90 locations selling E85. E15 is approved for all 2001 and newer vehicles, more than 96 percent of all light duty vehicles on the road today. Consumers have now driven more than 100 billion miles on E15, and retailers have conducted millions of transactions with this fuel. There have been no adverse reports of fuel quality experienced with E15 since first being approved 13 years ago.

Growth Energy appreciates this opportunity to support House Bill 2763, which would provide an important tax credit for bioethanol fuel blends from 15 to 85 percent. Specifically, this legislation would provide to fuel retailers a non-refundable 5 cent per tax credit for every gallon of higher bioethanol fuel blends sold. This credit is important as retailers in Kansas continue to build out the market and invest in additional infrastructure to offer these bioethanol blends.

Bioethanol blends such as E15 and E85 also give consumers more affordable choices at the pump. During the summer of 2023, Kansans saved an average of 11 cents per gallon on E15 compared to E10. Providing a 5 cent per gallon tax credit to incentivize a higher

bioethanol blend, the production of which benefits an industry supporting 13,000 Kansas jobs, allows hardworking Kansans to save on fuel costs without any impact to the state's fuel tax revenue.



This credit for retailers will also help Kansas bioethanol producers, corn growers and sorghum producers, and livestock farmers. While Kansas is currently eighth in the nation in bioethanol production, the state's fuel bioethanol blend rate is only 9.75 percent, well below the national average of 10.38 percent. If Kansas incentivized retailers to offer higher bioethanol blends and the state reached the national average, the increased bioethanol production could result in an estimated 6.5 percent increase in bushels purchased from Kansas corn growers and sorghum producers. This increased production in bioethanol also results in the availability of an additional 1 million pounds of nutrient-rich animal feed, an important co-product in the bioethanol production process, for Kansas livestock farmers.

When the economic benefits to the consumer, the agriculture industry, and the bioethanol industry are considered in combination with there being no effect on Kansas' fuel tax revenue, this proposed retail tax credit ultimately does not impact the state's bottom line. Several other Midwestern states have embraced higher blends of bioethanol and successfully implemented similar tax incentives. As more states consider incentivizing higher blends, we believe it is important the state does the same by ensuring a product made in Kansas using corn and sorghum grown in Kansas benefits drivers in Kansas.

Given our experience with retailers around the country offering bioethanol blends, we are happy to assist the committee with technical questions as they consider this important

legislation. We look forward to working with you to finalize this important benefit for Kansas drivers, fuel retailers and farmers. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Bliley". The signature is stylized and cursive.

Chris Bliley  
Senior Vice President of Regulatory Affairs  
Growth Energy