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Committees
Economic and Workforce Development
Transportation and Public Safety (Vice-Chair)
Ways and Means

From the desk of:
Riordan McClain
State Representative

Thank you Chairman Merrin, Vice Chair LaRe, Ranking Member Rogers, and fellow members of the Ways and Means Committee. I'm pleased to introduce House Bill 400 to you this afternoon, which would create a limited time and scope, non-refundable tax rebate for a retail dealer that sells a higher ethanol blend motor fuel.

As you all may know, Ohio is one of the nation's largest ethanol producers. Ohio is home to seven ethanol plants that purchase nearly 40% of the state's corn supply from more than 5,300 farm families. Over 90% of Ohio's gasoline currently contains up to 10% ethanol produced in Ohio from corn grown by our farmers. In 2011, the federal government approved a new gasoline blend containing 15% ethanol (E15). E15 has been approved by the U.S. EPA for use in all 2001 or newer cars, Trucks, and SUVs. The EPA also estimates that over 90% of gasoline sold goes into model year 2001 and newer vehicles.

Despite the fact that Ohio is one of the nation's largest ethanol producers, there are only 30 pumps dispensing E15 in the entire state. In comparison, Pennsylvania has 132 E15 fueling locations, and roughly the same population. HB 400 will authorize a tax credit in the amount of \$0.05 per gallon for retailers dispensing E15 motor fuel, for four years from enactment of the bill. This tax credit is intended to help cover the costs of converting or installing pumps approved by the EPA to administer E15.

The goal of this legislation is to encourage inception of this product into the Ohio market and provide additional outputs for Ohio farmers, who badly need them. E15 is not a new product, but since its entry into the market, its availability has been suppressed. Through the design of this legislation, a short term program incentivizing adoption will allow for gas stations to increase E15 availability throughout the state.

I urge you to support this bill to provide relief to Ohio's farmers, and provide consumers with more options at the pump.

Thank you and I welcome any questions from the committee.