

Testimony of Chuck Lippstreu
President, Michigan Agri-Business Association
Michigan House of Representatives Committee on Tax Policy

September 21, 2022

Mr. Chairman and Members of the Committee, thank you for the opportunity to join you today in strong support of Senate Bill 814. I am Chuck Lippstreu, President of the Michigan Agri-Business Association. We are a nonprofit trade association representing 300 businesses involved in Michigan agriculture.

We support Senate Bill 814 because it will allow market demand for clean-burning, E15 fuels to take hold, bringing down fuel costs for consumers and growing the rural economy.

First, let me address the fuel cost benefit.

One way to help deliver families and small businesses some relief at the pump is to shift from standard E10 gasoline – blended with 10% biofuels – to E15, a renewable fuel blend made with 15% biofuel. These fuels are made here in Michigan, using corn produced by Michigan farmers.

E15 is EPA-approved for all cars, trucks and SUVs made since 2001. E15 is already offered at more than 2,300 locations across 30 states, including our neighboring states, where families fill up their tanks every day using E15. Unfortunately, access in Michigan lags far behind. Only 10 stations in Michigan offer E15 today.

Second, I want to speak to the benefits this bill will have for the rural economy.

If stations across Michigan made a full shift to E15, it would add nearly \$530 million in Gross Domestic Product to Michigan's economy and save millions of dollars in fuel costs, according to an ABF Economics study. That's not just money back in families' pockets statewide, it's economic development for agriculture – funds that will support farm families and the many employees at our member companies who help plant, care for, harvest and transport crops.

But, while the fuel costs less for families, and will grow the economy, if it isn't carried at our fuel stations Michigan misses out.

To make this fuel more readily available to all drivers across Michigan, we need to incentivize more gas stations to offer it. That's where Senate Bill 814 comes into play. Creating a tax credit for clean burning biofuels ensures families who want lower cost fuels will be able to find them at the pump.

SB 814 will help deliver lower-cost biofuel across the state, just when we need it most, and by expanding access to Michigan-made biofuels, we can grow our economy.

We respectfully ask for your support of SB814. Thank you for the opportunity to testify before the Committee today.