

SB 126 provides a simple solution to help reduce gas bills and high electric bills

Investor-owned utilities like Evergy (Westar/KCP&L) and Kansas Gas Service charge you for their Kansas (and Federal) income taxes. It's built into your rates.

But the utilities aren't actually paying taxes to the State because of various tax credits and accounting deferrals.

Between 2014-2019, Evergy, Liberty Utilities (Empire), Kansas Gas Service, Atmos Energy and Black Hills Energy **collected about \$250 million** from customers to pay for Kansas income taxes.

But **ZERO** ended up going to the State.

SB 126 would eliminate the state income tax for investor-owned gas and electric companies. If the State eliminated the income tax on utilities, the utilities can't collect the taxes from you. This is exactly what happened when the 2017 Federal Tax Cut Act lowered corporate taxes from 35% to 21% -- utility rates were reduced.

Because **utilities haven't paid any taxes** in at least five years (likely much longer), there's no fiscal note. And Evergy has told Wall Street they don't expect to pay taxes in the next five years.

SB 126 makes sense
Save customers \$40-\$50M/year, without hurting the State.

It's an easy way to take a step toward addressing high electric rates.