

U.S. House of Representatives
Rep. Sharice L. Davids
Kansas Third District

March 13, 2025

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable John Thune
Majority Leader
U.S. Senate
S-324, The Capitol
Washington, D.C. 20515

The Honorable Jason Smith
Chairman
House Committee on Ways and Means
1139 Longworth House Office Building
Washington, D.C. 20515

The Honorable Mike Crapo
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Speaker Johnson, Majority Leader Thune, and Chairmen Smith and Crapo,

While we may not agree on every issue, I am confident that we all support efforts to lower the cost of living for our constituents and bring jobs back to America. To that end, as you craft a budget reconciliation package for the House and Senate to vote on, I respectfully urge you to protect the tax incentives Congress passed in 2022 via the *Inflation Reduction Act (IRA)*, which are lowering Kansans' utility costs and helping create American jobs.

In a January 20 executive order, President Trump asserted that, "Hardworking families today are overwhelmed by the cost of fuel, food, housing, automobiles, medical care, utilities, and insurance," and that, "It is critical to restore purchasing power to the American family and improve our quality of life." However, some congressional Republicans have expressed support for ending the tax incentives passed in the *IRA*. I stand ready to work with the President to take immediate action to lower costs for Americans, and I hope we can accomplish that by maintaining these provisions through the budget reconciliation process – reigniting the American economy and renewing the American Dream.

Section 45X: For example, the Section 45X tax credit is a critical tool for reshoring domestic manufacturing jobs. Passed to support the production of energy components such as batteries and critical minerals, 45X will benefit Stryten Energy and the Panasonic Corporation of North America in the Kansas City area. In a few months, Panasonic will be opening a battery factory in De Soto, Kansas, bringing 4,000 well-paying jobs to my district in what is the largest economic development project in the state's history. The *IRA* and 45X have spurred a more than 300-percent increase in American manufacturing investments compared to the two years prior to passage; alongside Panasonic, over 250 active projects are creating more than 100,000 jobs nationwide thanks to this tax policy.

Sections 25C, 25D, 30C, and 30D: *IRA* provisions such as Sections 25C, 25D, 30C, and 30D are lowering Americans' utility bills. From adding discounted home energy systems to saving money with more efficient appliances, these incentives are putting more money back in consumers' wallets. According to the Bureau of Labor Statistics, the average price of electricity per Kilowatt-Hour (kWh) has increased nearly 30 percent over the past ten years; in the Midwest, the average price of utility gas has risen nearly 40 percent over that same timeframe. Allowing consumers to bolster the energy efficiency of their homes and install distributed power sources will help reverse those trends and reward Americans who are putting less strain on our increasingly relied upon grid. That means more money hard-working families can spend on groceries, health care, child care, and other needs.

Section 45Z: Provisions like the Section 45Z tax credit underpin another key sector of the Kansas economy – farming and biofuels. Kansas farmers have taken hit after hit in recent years with net farm income across the state falling 21 percent from 2023 to 2024. Maintaining 45Z will provide stability to our growers, fuel retailers, and biofuel producers like East Kansas Agri-Energy in Garnett – all while supporting a booming sustainable aviation fuel (SAF) industry in Kansas. It will also, critically, lower costs for Americans as E15 can save consumers around \$0.25 per gallon at the pump. The biofuel industry is critical to my district and to Kansas, and preserving 45Z will demonstrate support for growing our farm economies.

Section 45V: The Section 45V tax credit is a new incentive for hydrogen production, catalyzing America to be a global leader in this space. Kansas continues to explore transformative opportunities to produce hydrogen, including geologic hydrogen from our state's rich natural resources. Mastering hydrogen production will advance our nation's energy security and lower costs for consumers by expanding our scalable power sources.

Sections 454Y, 48E, 45Q, and 45U: Finally, energy production and investment tax credits like Sections 45Y, 48E, 45Q, and 45U are providing a boon to Kansas' job market. Our state is already a leader in wind and solar energy production, and these industries support livelihoods from Kansas City to Liberal. According to the Department of Energy, Kansas energy jobs continue to grow and already support more than 7,000 careers in solar, wind, hydroelectricity, nuclear, storage, and grid technologies. Continuing to harness the power of these resources by maintaining these *IRA* provisions will end U.S. reliance on overseas markets and ensure energy abundance for American ratepayers.

For the first time in a generation, America is ushering in a manufacturing revolution that is fortifying our supply chains, producing record levels of domestic energy, catalyzing workforces across the nation, and ending our reliance on foreign markets. For too long, American families have suffered at the whim of overseas production lines and volatile global events. Now is the opportunity to solidify our nation as the global leader in energy production, innovation, and entrepreneurship all while saving folks more money – not reverse our progress as some congressional Republicans have suggested. I am confident that we can work together to protect these tax credits and usher in a new era of the American Dream.

Thank you for your urgent attention to this matter. I stand ready to work with you as Congress considers budget legislation. Should you have any questions, please reach out to Eric Dunay (eric.dunay@mail.house.gov) in my office.

Sincerely,

A handwritten signature in blue ink, appearing to read 'SD', with a stylized flourish extending to the right.

Sharice L. Davids
Member of Congress