

**Before the House Taxation Committee  
Opposition to HB2406  
Written Testimony by Tom Byers, Manager of Government and Media Affairs  
Magellan Midstream Partners  
April 4, 2017**

Good afternoon Mr. Chairman, members of the committee. My name is Tom Byers and I am the Manager of Government and Media Affairs for Magellan Midstream Partners.

Magellan has a significant presence in the state of Kansas as evidenced by our 1900 miles of refined products pipeline, 465 miles of crude oil pipeline and six refined product terminals which store and distribute gasoline, diesel fuel, jet fuel and ethanol. We have 106 full time employees who are residents of the state. In 2016 we had a total payroll of more than \$10.2 million and we paid in excess of \$400,000 in state income tax. In 2016 Magellan paid in excess of \$12 million in property taxes in Kansas for those assets that are not tax exempt.

Last year Magellan, along with its two partners, completed the Saddlehorn Pipeline, which transports crude oil from northeast Colorado to Cushing, Oklahoma. Our Saddlehorn line, 285 miles of which is located in Kansas, is an integral part of the crude oil transportation system upon which refineries in the state of Kansas have come to rely. Magellan applied for and has received from the Kansas Tax Commission, an exemption for that pipeline.

A significant portion of the gasoline and diesel fuel consumed in the state of Kansas is transported through Magellan's pipeline system. We are pleased to be a part of the Kansas economy and we hope to do business in the state for many years to come.

Magellan is supportive of retaining the exemption for pipelines. We are also willing to work with representative of the counties to come up with compromise language.

Thank you.

Tom Byers  
One Williams Center  
Tulsa, Oklahoma 74172  
918-574-7011