

REVENUE DEPARTMENT[701]

Adopted and Filed

Rule making related to excise tax rate on motor fuels

The Revenue Department hereby amends Chapter 68, “Motor Fuel and Undyed Special Fuel,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code sections 421.14 and 452A.59.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 452A.3.

Purpose and Summary

This rule making amends subrule 68.2(1) to adjust the excise tax rate on biodiesel blended fuel rated B-11 or higher from 30.4¢ per gallon (ending June 30, 2022) to 30.1¢ per gallon (beginning July 1, 2022), pursuant to the formula prescribed by Iowa Code section 452A.3. The distribution percentage for biodiesel blended fuel rated B-11 or higher for calendar year 2021 is 57.75 percent, a decrease from the 2020 distribution percentage of 61.49 percent. As a result, pursuant to Iowa Code section 452A.3(3)“a”(2), in fiscal year 2023, the excise tax rate for biodiesel blended fuel rated B-11 or higher will decrease as noted above. Tax rates for all other fuel types will remain unchanged for fiscal year 2023.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on May 4, 2022, as **ARC 6315C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Department on June 8, 2022.

Fiscal Impact

Under the excise tax rates applicable for fiscal year 2023 as adopted in this rule making and as required by statute, it is estimated that, accounting for refunds, collections will be \$142.43 million, resulting in a decrease of \$1.42 million in revenues.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or

group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on August 3, 2022.

The following rule-making action is adopted:

Amend subrule 68.2(1) as follows:

68.2(1) The following rates of tax apply to the use of fuel in operating motor vehicles and aircraft:

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| Gasoline | 30.7¢ per gallon (for July 1, 2016, through June 30, 2017) 30.5¢ per gallon (for July 1, 2017, through June 30, 2018) 30.7¢ per gallon (for July 1, 2018, through June 30, 2019) 30.5¢ per gallon (for July 1, 2019, through June 30, 2020) 30¢ per gallon (beginning July 1, 2020) |
| Ethanol blended gasoline | 29¢ per gallon (for July 1, 2016, through June 30, 2020) |
| Ethanol blended gasoline E-10 to E-14 | 30¢ per gallon (beginning July 1, 2020) |
| E-85 gasoline | 29¢ per gallon (for July 1, 2016, through June 30, 2020) |
| Ethanol blended gasoline E-15 or higher | 24¢ per gallon (beginning July 1, 2020) |
| Aviation gasoline | 8¢ per gallon (beginning July 1, 1988) |
| Diesel fuel other than B-11 or higher | 22.5¢ per gallon (on and before February 28, 2015) 32.5¢ per gallon (beginning March 1, 2015) |
| Biodiesel blended fuel (B-11 or higher) | 29.5¢ per gallon (for July 1, 2015, through June 30, 2020) 30.1¢ per gallon (for July 1, 2020, through June 30, 2021) 30.4¢ per gallon (beginning <u>for July 1, 2021, through June 30, 2022</u>) <u>30.1¢ per gallon (beginning July 1, 2022)</u> |
| Aviation jet fuel | 3¢ per gallon (on and before February 28, 2015) 5¢ per gallon (beginning March 1, 2015) |
| L.P.G. | 20¢ per gallon (on and before February 28, 2015) 30¢ per gallon (beginning March 1, 2015) |
| C.N.G. | 16¢ per 100 cu. ft. (on and before June 30, 2014) 21¢ per gallon (for July 1, 2014, through February 28, 2015) 31¢ per gallon (beginning March 1, 2015) |
| L.N.G. | 22.5¢ per gallon (on and before February 28, 2015) 32.5¢ per gallon (beginning March 1, 2015) |

[Filed 6/9/22, effective 8/3/22]

[Published 6/29/22]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/29/22.