

**422.11P Biodiesel blended fuel tax credit.**

1. As used in this section, unless the context otherwise requires:
  - a. “Biodiesel blended fuel”, “diesel fuel”, and “retail dealer” mean the same as defined in section 214A.1.
  - b. “Motor fuel pump” means the same as defined in section 214.1.
  - c. “Sell” means to sell on a retail basis.
  - d. “Tax credit” means a biodiesel blended fuel tax credit as provided in this section.
2. For purposes of this section, biodiesel blended fuel is classified in the same manner as provided in section 214A.2.
3. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a biodiesel blended fuel tax credit for each tax year that the taxpayer is eligible to claim a tax credit under this subsection.
  - a. In order to be eligible, all of the following must apply:
    - (1) The taxpayer is a retail dealer who sells and dispenses qualifying biodiesel blended fuel through a motor fuel pump located at the retail dealer’s retail motor fuel site during the calendar year or parts of the calendar years for which the tax credit is claimed as provided in this section.
    - (2) The retail dealer complies with requirements of the department established to administer this section.
  - b. The tax credit shall apply to biodiesel blended fuel classified as provided in this section, if the classification meets the standards provided in section 214A.2. In ensuring that biodiesel blended fuel meets the classification requirements of this section, the department shall take into account reasonable variances due to testing and other limitations.
4. For a retail dealer whose tax year is on a calendar year basis, the retail dealer shall calculate the amount of the tax credit by multiplying a designated rate by the retail dealer’s total biodiesel blended fuel gallonage as provided in section 452A.31 which qualifies under this subsection.
  - a. In calendar year 2012, in order to qualify for the tax credit, the biodiesel blended fuel must be classified as B-2 or higher.
    - (1) For biodiesel blended fuel classified as B-2 or higher but not as high as B-5, the designated rate is two cents.
    - (2) For biodiesel blended fuel classified as B-5 or higher, the designated rate is four and one-half cents.
  - b. In calendar year 2013 and for each subsequent calendar year, in order to qualify for the tax credit, the biodiesel blended fuel must be classified as B-5 or higher. The designated rate for the qualifying biodiesel blended fuel is four and one-half cents.
5. For a retail dealer whose tax year is not on a calendar year basis, the retail dealer shall calculate the tax credit as follows:
  - a. If a retail dealer has not claimed a tax credit in the retail dealer’s previous tax year, the retail dealer may claim the tax credit in the retail dealer’s current tax year for that period beginning on January 1 of the retail dealer’s previous tax year to the last day of the retail dealer’s previous tax year. For that period the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on December 31 of that calendar year as provided in subsection 4.
  - b. (1) For the period beginning on the first day of the retail dealer’s tax year until December 31, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who calculates the tax credit on that same December 31 as provided in subsection 4.
  - (2) For the period beginning on January 1 to the end of the retail dealer’s tax year, the retail dealer shall calculate the tax credit in the same manner as a retail dealer who will calculate the tax credit on the following December 31 as provided in subsection 4.
6. Any credit in excess of the retail dealer’s tax liability shall be refunded. In lieu of claiming a refund, the retail dealer may elect to have the overpayment shown on the retail dealer’s final, completed return credited to the tax liability for the following tax year.
7. An individual may claim the tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The

amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, limited liability company, S corporation, estate, or trust.

8. This section is repealed January 1, 2018.

2006 Acts, ch 1142, §41, 48, 49; 2007 Acts, ch 161, §17, 22; 2008 Acts, ch 1169, §31, 32, 34, 35; 2008 Acts, ch 1191, §137; 2011 Acts, ch 113, §24 – 28, 33, 34; 2011 Acts, ch 131, §94, 104

Referred to in §2.48, 422.5, 422.16, 422.33

[SP] For provisions relating to availability and calculation of the biodiesel blended fuel tax credit for calendar year 2011 for a retail dealer whose tax year ends prior to December 31, 2011, see 2006 Acts, ch 1142, §49; 2011 Acts, ch 113, §30, 33, 34

[SP] 2008 amendments to subsections 3 and 4 take effect January 1, 2009, and apply to tax years beginning on or after that date; 2008 Acts, ch 1169, §34, 35; 2008 Acts, ch 1191, §137

[SP] 2011 amendments to this section take effect January 1, 2012, and apply to tax years beginning on or after that date; 2011 Acts, ch 113, §33, 34; 2011 Acts, ch 131, §94, 104

[SP] For provisions relating to requirements for claiming a biodiesel blended fuel tax credit in calendar year 2017 for a retail dealer whose tax year ends before December 31, 2017, see 2011 Acts, ch 113, §31, 33, 34