

**422.110 E-85 gasoline promotion tax credit.**

1. As used in [this section](#), unless the context otherwise requires:

a. “E-85 gasoline”, “ethanol”, “gasoline”, 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 the E-85 gasoline promotion tax credit as provided in [this section](#).

2. The taxes imposed under [this division](#), less the credits allowed under [section 422.12](#), shall be reduced by an E-85 gasoline promotion tax credit for each tax year that the taxpayer is eligible to claim the 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 E-85 gasoline through a motor fuel pump located at the retail dealer’s retail motor fuel site during the calendar year or parts of the calendar year for which the tax credit is claimed as provided in [this section](#).

(2) The retail dealer complies with requirements of the department to administer [this section](#).

b. The tax credit shall apply to E-85 gasoline that meets the standards provided in [section 214A.2](#).

3. 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 of sixteen cents by the retail dealer’s total E-85 gasoline gallonage as provided in [sections 452A.31](#) and [452A.32](#).

4. 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 3](#).

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 3](#).

(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 3](#).

5. a. A retail dealer is eligible to claim an E-85 gasoline promotion tax credit as provided in [this section](#) even though the retail dealer claims one or all of the following related tax credits:

(1) The ethanol promotion tax credit pursuant to [section 422.11N](#).

(2) The E-15 plus gasoline promotion tax credit pursuant to [section 422.11Y](#).

b. (1) The retail dealer may claim the E-85 gasoline promotion tax credit and one or more of the related tax credits as provided in paragraph “a” for the same tax year.

(2) The retail dealer may claim the ethanol promotion tax credit as provided in paragraph “a” for the same ethanol gallonage used to calculate and claim the E-85 gasoline promotion tax credit.

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 a partnership, limited liability company, S corporation, estate, or trust.

8. This section is repealed on January 1, 2018.

2006 Acts, ch 1142, §40, 48, 49; 2006 Acts, ch 1175, §15, 23; 2007 Acts, ch 126, §67; 2007 Acts, ch 161, §16, 22; 2011 Acts, ch 113, §15 – 18, 22, 23; 2011 Acts, ch 131, §62, 78, 79

Referred to in §2.48, §422.5, §422.11N, §422.11Y, §422.16, §422.33

For provisions relating to availability and calculation of an E-85 gasoline promotion tax credit in calendar year 2017 for a retail dealer whose tax year ends prior to December 31, 2017, see 2006 Acts, ch 1142, §49; 2011 Acts, ch 113, §20, 22, 23

2011 amendments to subsections 2, 3, 5, and 8 take effect January 1, 2012, and apply to tax years beginning on and after that date; 2011 Acts, ch 113, §22, 23; 2011 Acts, ch 131, §78, 79