

CHAPTER 277
SALES AND USE TAX REFUND FOR BIODIESEL PRODUCTION
[Prior to 9/7/22, see Revenue Department[701] Ch 250]

701—277.1(423) Biodiesel production refund. A refund of sales or use tax is available for certain producers of biodiesel for calendar year 2012 to the ending year specified in Iowa Code section 423.4(9)“e.”

277.1(1) *Qualifications for the refund.* To be eligible for the refund, a biodiesel producer that produces biodiesel in Iowa must meet the criteria listed in Iowa Code section 423.4(9)“a.”

277.1(2) *Calculation of the refund.* The amount of refund is calculated as described in Iowa Code section 423.4(9)“b” and up to the number of gallons identified in Iowa Code section 423.4(9)“c.” No refund will be allowed for gallons produced at a facility on or after the date identified in Iowa Code section 423.4(9)“e.”

277.1(3) *Claiming the refund.* In order to claim a refund for each calendar quarter, a biodiesel producer must file Form IA 843, Refund Return, on which the biodiesel producer will include the number of biodiesel gallons produced during the quarter, the calculation of the biodiesel production refund, and the amount of biodiesel production refund claimed. The biodiesel producer must also timely file all sales and use tax returns due and timely pay all sales and use taxes owed on the biodiesel producer’s purchases, even when the amount of the biodiesel production refund due exceeds the amount of sales and use taxes owed for the quarter. The department will reduce the amount of the refund issued by the amount of any sales and use taxes owed by the biodiesel producer.

EXAMPLE: A biodiesel producer produced 5 million gallons during the first quarter of 2023. The producer also owes \$10,000 of Iowa use tax based on purchases made during the first quarter of 2023. In order to claim a refund, the producer must timely file an Iowa sales and use tax return and pay \$10,000 of use tax with the return and file Form IA 843, Refund Return, to request a refund of \$200,000 (5 million gallons multiplied by 4 cents per gallon) for the first quarter of 2023.

[ARC 7627C, IAB 2/7/24, effective 3/13/24]

This rule is intended to implement Iowa Code section 423.4(9).

[Filed ARC 3043C (Notice ARC 2896C, IAB 1/18/17), IAB 4/26/17, effective 5/31/17]

[Filed ARC 6508C (Notice ARC 6400C, IAB 7/13/22), IAB 9/7/22, effective 10/12/22]

[Filed ARC 7627C (Notice ARC 7154C, IAB 12/13/23), IAB 2/7/24, effective 3/13/24]