



**HF 859** – Biofuel (LSB1311HV)

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Fiscal Note Version – New

**Description**

[House File 859](#) modifies the definitions and requirements for use of ethanol and biodiesel blends, provides for financial incentives by appropriating funds to the Renewable Fuel Infrastructure Program (RFIP), modifies biofuel tax credits, and requires State vehicles to use certain types of biofuel blends.

Division I	Division II	Division III	Division IV
<p style="text-align: center;">Motor Fuel Standards and Requirements Waivers Disciplinary Action Effective Date Provisions</p>	<p style="text-align: center;">Financial Incentives for Ethanol and Biodiesel Retail Motor Fuel Sites Ethanol Cost-Share Program Biodiesel Cost-Share Program Renewable Fuel Infrastructure Fund Requirements and Classifications Effective Date Provisions</p>	<p style="text-align: center;">Tax Credit Calculations Tax Credit Expiration Dates</p>	<p style="text-align: center;">Requirements for Renewable Fuel Use in State Motor Vehicles</p>

**Division I** restricts the advertisement and sale of blended and unblended gasoline and diesel fuel, directs how motor fuels may be advertised and sold by retailers, and provides penalties.

**Gasoline and Ethanol Blends**

Blended and unblended gasoline is designated by the percentage of ethanol the product contains. Unblended gasoline is designated E-0, while a gallon of gasoline that is blended as 15.0% ethanol is designated E-15. A gasoline blend that is designated E-85 may have an ethanol content that is as high as E-85, but E-85 is allowed to be sold with a lower ethanol content. The Bill places restrictions on retail sites that sell gasoline as a motor fuel.

- Beginning January 1, 2022, the Bill prohibits the advertisement and sale of E-0 that does not have an octane rating of at least 91 (premium).
- Beginning January 1, 2028, the Bill prohibits the advertisement and sale of ethanol blends below E-15. Exceptions to the prohibition are allowed for specified types of use.

- Beginning January 1, 2028, the Bill requires retail locations with more than two dispensing units to advertise and sell E-15 from at least one dispensing unit.

### **Diesel and Biodiesel Blends**

Blended and unblended diesel is designated by the percentage of biodiesel the product contains. Unblended diesel is designated B-0, while a gallon of diesel that is blended as 11.0% biodiesel is designated B-11.

Beginning January 1, 2022, the Bill prohibits the advertisement for sale of biodiesel and biodiesel blends below B-11 during an annual period beginning April 1 and ending October 31. Exceptions to the prohibition are allowed for specified types of use.

The Bill also allows for the Governor or Secretary of Agriculture to issue waivers or suspensions of the new motor fuel restrictions in specific instances.

The Bill also allows for the Department of Natural Resources to issue an extension of compliance for small retail dealers, defined as having less than 10 permanent fuel sites beginning January 1, 2028.

**Division II** amends eligible expenditure requirements for grants from the RFIP for retail motor fuel sites for both ethanol blended fuels and biodiesel and amends the application and approval process. Under current law, RFIP grants can be used to fund infrastructure improvements for the storage and dispensing of E-15 blended fuel and for biodiesel of any classification. The Bill makes the following changes:

Ethanol Infrastructure: For grants involving ethanol infrastructure, the funds must be used for infrastructure used to:

- Store ethanol classified as E-100 or store ethanol blended gasoline classified as E-85 or higher.
- Store and dispense ethanol blended gasoline classified as E-85 or higher.
- Store ethanol classified as E-100 or store ethanol blended gasoline classified as E-85 or higher to blend and dispense ethanol or ethanol blended gasoline classified as E-85 or higher.

Under current law, cost-share agreements for grants involving biodiesel infrastructure are the same as for ethanol infrastructure grants.

The Bill limits the cost-share agreements for grants involving ethanol to a five-year period and 70.0% of the actual cost or \$50,000, whichever is less.

Biodiesel Infrastructure: For grants involving biodiesel infrastructure, the funds must be used for infrastructure improvements for the purposes below.

- To store biodiesel classified as B-100 or store biodiesel blended fuel classified as B-20 or higher.
- To blend and dispense biodiesel blended fuel classified as B-20 or higher.

The Bill limits the biodiesel cost-share agreements to a three-year period and 50.0% of the actual cost or \$30,000, whichever is less.

The Bill maintains the supplemental financial incentives under current law of up to \$24,000 per site for both ethanol and biodiesel infrastructure projects.

Allocations: Division II identifies the following allocations for the RFIP for retail motor fuel sites:

- For FY 2022 to FY 2024, specifies that not more than \$1,250,000 may be allocated from the Renewable Fuel Infrastructure Fund to support biodiesel infrastructure improvements. This allocation is repealed on July 1, 2024.
- Specifies that no more than \$100,000 may be allocated from the Fund to the Department of Agriculture and Land Stewardship for administrative costs of the RFIP beginning July 1, 2021.
- Specifies that up to 1.5% of the RFIP funds may be used for marketing beginning July 1, 2021.

### **Storage and Dispensing Infrastructure**

The Department of Natural Resources and the state fire marshal are entrusted with managing the requirements of storage and dispensing infrastructure.

Division II takes effect July 1, 2021, except for the requirements of storage and dispensing infrastructure, which take effect October 1, 2021.

**Division III** makes changes to the existing [E-15 Plus Gasoline Promotion Tax Credit](#), the [E-85 Gasoline Promotion Tax Credit](#), and the [Biodiesel Blended Fuel Tax Credit](#). The changes, effective January 1, 2022, include:

- E-85 — Extends the availability of the credit by three years to December 31, 2027.
- E-15 — Extends the availability of the credit by three years to December 31, 2027, and changes the tax credit rate from 10.0 cents or 3.0 cents depending on the time of year of the sale to a tax credit of 4.0 cents regardless of the date of the sale.
- Biodiesel — Extends the availability of the credit by three years to December 31, 2027, and changes the credit from one based on the amount of biodiesel contained in the gallon sold to one that is based on the amount of biodiesel and the time of year of the sale.

**Division IV** establishes guidelines for fuel use and motor vehicles purchased by the State of Iowa. Furthermore, it requires the Department of Administrative Services (DAS) to compile a report including information from the Commission of the Blind, Board of Regents institutions, Department of Transportation, and Department of Corrections, with the report due on or before March 1 of each year.

The Bill requires any competitive-bidding procedure to verify that a vehicle manufacturer certify the use of B-20 or higher blends.

The required annual report to the Governor and the General Assembly shall include the following information:

#### For Ethanol:

- Number of State vehicles by model year.
- Vehicles able to use E-15 and E-85 without affecting car warranty.
- Number of E-15 and E-85 gallons purchased.

#### For Biodiesel:

- Number of State vehicles by model year.
- Vehicles able to use B-20 without affecting car warranty.
- Number of B-20 gallons purchased.

Division IV takes effect on July 1, 2021.

## **Background**

As of FY 2021, the RFIP is funded through the Rebuild Iowa Infrastructure Fund (RIIF) at \$3.0 million. This is not a standing appropriation, meaning the General Assembly must pass the funding each year. No more than \$50,000 may be allocated from the Fund to the Department of Agriculture and Land Stewardship for administrative costs of the RFIP.

## **Assumptions**

### **Blended and Unblended Gasoline Sales and Tax Credits**

- The projected annual retail sales of blended and unblended gasoline are based on the [Retailers Fuel Gallons Annual Reports](#) filed by Iowa fuel retailers with the State. The Department of Revenue produces an [annual summary](#) that provides the number of gallons sold in Iowa, both in total and by specific blend (E-0, E-10, E-15, E-20, and E-85). The [CY 2019 report](#) concludes that 1,564.9 billion gallons of blended and unblended gasoline motor fuel were sold by retailers who filed 2019 reports with the Department.
- The Department's [Fuel Tax Monthly Report](#) for the 12 months that represent CY 2019 indicates that fuel tax was paid on 1,657.6 million gallons of gasoline fuel for the year. Therefore, the number of gallons represented in the annual retailers' report is 94.4% of the gallons sold at retail over the period. To adjust for the missing gallons, the gallons of each blend category are divided by 94.4% so that total retail gallons equals taxed gallons for the year. The CY 2019 gallons reported by retailers and the adjusted gallons are presented in **Table 1**.

	E-0	E-10	E-15	E-20	E-85	Total
CY 2019	211.5	1,284.3	49.0	1.1	19.0	1,564.9
Adjusted CY 2019 *	224.0	1,360.4	51.9	1.2	20.1	1,657.6

\* Adjusted so total retail gallons match annual taxable gallons.

- The current-law projection of gallons sold by ethanol blend level is assumed to be equal to the adjusted CY 2019 gallons displayed in **Table 1**, with one exception. Over the past four years, E-15 sales have accounted for a small percentage (2.4%) of Iowa retail gasoline sales, but the gallons of E-15 sold have been increasing. To adjust for this trend, the current-law gallons projection for E-10 fuel is decreased 10.1 million gallons each future calendar year while E-15 gallons are increased 10.3 million gallons each future calendar year.
- The Bill has several provisions that are designed to alter the mix of fuel blends sold in Iowa when compared to current law by increasing the amount of ethanol consumed as motor fuel. The Bill:
  - Dedicates additional State funds to a cost-share program that assists retailers with the replacement of gasoline fuel handling equipment (tanks, lines, and pumps) with new equipment that is able to dispense E-15, E-85, and higher products.
  - Requires that any time a retail motor fuel dealer installs, replaces, or converts motor fuel storage and dispensing infrastructure, the installed, replacement, or converted infrastructure must be capable of storing and dispensing fuel classified as E-85 or higher.

- Extends existing retail tax incentives for the sale of E-15 and E-85, set to expire December 31, 2024, by three years to December 31, 2027.
- With limited exceptions, prohibits the sale of E-0 to fuel with an octane rating of at least 91 (premium) beginning January 1, 2022.
- With limited exceptions, restricts the sale of ethanol blends below E-15 beginning January 1, 2028.
- The provisions discussed in the previous item are assumed to alter the sale of the various blends of gasoline motor fuel under the Bill when compared to current law:
  - E-0 — Effective January 1, 2022, the sale of E-0 will be restricted to high-octane fuel only. Since the price of this fuel is considerably higher than the price of the lower octane fuel that is required by most vehicles, the sales restriction is projected to substantially reduce the number of E-0 gallons sold in Iowa.
  - E-10 — Until the sale of E-10 is restricted (starting January 1, 2028), E-10 sales will increase as that fuel replaces E-0 sales. Beginning in CY 2026, E-10 sales will start to decline as retailers prepare for the restrictions on E-10 sales that begin January 1, 2028.
  - E-15 and E-20 — Beginning in CY 2022, the additional infrastructure spending and the E-0 restriction to only higher-priced premium fuel will expand E-15 sales. E-15 sales will begin to accelerate in CY 2026 as retailers prepare for E-10 restrictions that begin January 1, 2028. Starting January 1, 2028, E-15 sales will increase sharply as the sale of gasoline below that blend level will be severely restricted.
  - E-85 — The additional funding for storage and dispensing infrastructure grants and the requirement that new and modified installations must be able to dispense E-85 will modestly increase E-85 sales.
- Gasoline (E-0) and pure ethanol (E-100) have different energy content by volume. Gasoline contains 115,400 BTU (British Thermal Units) per gallon while E-100 contains 75,670 BTU per gallon. A vehicle that travels a given distance on E-0 will require a greater volume of fuel to travel the same distance on an ethanol blend. This estimate assumes the same number of miles driven by Iowa retail fuel purchasers under the Bill as is assumed under current law. In order to account for the miles per gallon difference between blends of gasoline, this projection adjusts the overall fuel volume using the following energy factors:
  - E-0 = 1.000
  - E-10 = 1.036
  - E-15 = 1.054
  - E-20 = 1.074
  - E-85 (calculated as E-79) = 1.374
- The current income tax credit for E-15 sales equals 10.0 cents per gallon for the summer period and 3.0 cents for the winter period. The Department reports that 39.4% of E-15 gallons are sold during the high rate period and 60.6% are sold at the lower rate. This equates to an average tax credit of 5.8 cents per gallon across a full year. The Bill changes the E-15 credit to 4.0 cents per gallon for all sales, beginning January 1, 2022. Therefore, the average change in the credit across an entire year is a reduction of 1.8 cents per gallon. In addition to this change, the E-15 tax credit is extended for an additional three years beyond its current sunset date of December 31, 2024.
- The current income tax credit for E-85 sales equals 16.0 cents per gallon, and the credit remains at that level under the Bill. The Bill extends the credit for an additional three years beyond its current sunset date of December 31, 2024.
- E-15 and E-85 tax credits are refundable, and therefore 100.0% of earned credits are assumed to be redeemed. It is assumed that tax credits earned for a calendar year are redeemed 50.0% in the fiscal year that begins after the end of the calendar year and 50.0% in the succeeding fiscal year.
- **Appendix A — Gasoline** provides blended and unblended gasoline sales assumptions and the resulting projection for tax credits earned and redeemed.

## Blended and Unblended Diesel Sales and Tax Credits

- Projected annual retail sales of blended and unblended diesel fuel are based on the [Retailers Fuel Gallons Annual Reports](#) filed by Iowa motor fuel retailers with the State. The Department of Revenue produces an [annual summary](#) that provides the number of gallons sold in Iowa, both in total and by specific blend (B-0, B-01 to B-04, B-5 to B-10, B-11 to B-19, B-20 to B-49, and B-50 to B-100). The [CY 2019 report](#) concludes that 636.9 million gallons (blended and unblended) of taxed diesel fuel and 200.7 million gallons of tax-exempt diesel fuel were sold by retailers who filed 2019 reports with the Department.
- The Department of Revenue's [Fuel Tax Monthly Report](#) for the 12 months that represent CY 2019 indicates that fuel tax was paid on 756.2 million gallons of taxed diesel fuel for the year. Therefore, the number of taxed gallons represented in the annual retailers' report is 88.2% of the taxed gallons sold at retail over the period. To adjust for the missing gallons, each blend category of diesel fuel is divided by 84.2% so that total retail gallons equals taxed gallons for the year. Since tax-exempt diesel gallons sold are not included in the Fuel Tax Monthly Report, the number of tax-exempt gallons cannot be accurately adjusted for gallons missing from the retailer report. The CY 2019 gallons reported by retailers and the adjusted gallons are presented in **Table 2**.

	B-0	B-1 to B-4	B-5 to B-10	B-11 to B-19	B-20 to B-49	B-50 to B-100	Total
CY 2019, Taxed	191.7	7.0	69.5	291.2	76.9	0.5	636.8
CY 2019, Tax Exempt	150.8	0.7	40.7	7.0	1.5	0.0	200.7
CY 2019, Adjusted *	227.7	8.3	82.5	345.8	91.3	0.6	756.2
CY 2019, Tax Exempt	150.8	0.7	40.7	7.0	1.5	0.0	200.7

\* Adjusted so total retail gallons match annual taxable gallons.

- Retail diesel fuel sales have increased over the past three years (CY 2016 to CY 2019) and the mix of fuel sold has increased in average biodiesel content. The current-law projection of gallons sold by biodiesel blend level is assumed to be equal to the adjusted CY 2019 gallons displayed in **Table 2**, with the following exceptions. To account for the increasing trend in total taxed gallons sold and the trend toward higher biofuel content diesel, the following adjustments to sales each future calendar year are made:
  - B-0 is reduced 11.0 million gallons.
  - B-1 to B-4 is reduced 0.4 million gallons.
  - B-5 to B-10 is reduced 3.0 million gallons.
  - B-11 to B-19 is increased 15.4 million gallons.
  - B-20 to B-49 is increased 9.0 million gallons.
- The Bill has several provisions that are expected to alter the mix of fuel blends sold in Iowa when compared to current law. The Bill:
  - Dedicates additional State funds to a cost-share program that assists retailers with replacement of diesel fuel handling equipment (tanks, lines, and pumps) with new equipment and requires that the equipment be rated to dispense B-20 and higher products.
  - Requires that retailers who participate in the infrastructure cost-share program for diesel fuel equipment must agree to store and sell higher biodiesel fuel blends.
  - Extends the existing Biodiesel Blended Fuel Tax Credit, set to expire December 31, 2024, by three years to December 31, 2027.

- Changes the existing Biodiesel Blended Fuel Tax Credit, currently equal to 3.5 cents per gallon for blends classified as B-5 through B-10 and 5.5 cents for B-11 and higher blends, to 4.0 cents for B-11 or higher for gallons if sold between November 1 and March 31 (winter), 6.0 cents for B-20 to B-29 blends, and 10.0 cents for B-30 or higher blends. The changes are effective January 1, 2022.
- Starting CY 2022, prohibits the sale of diesel blends below B-11 during the annual period of April 1 through October 31, with specific exceptions.
- The provisions discussed in the previous item are assumed to alter the sale of the various blends of biodiesel fuel under the Bill when compared to current law:
  - B-0 and blends below B-11 — The prohibition on the advertisement for sale of blends below B-11 during the summer period is assumed to reduce the sale of lower-blend biodiesel to an amount that is 60.0% of the level assumed under current law.
  - B-11 to B-19 — The requirement that summer blends be at least B-11 is assumed to increase the sale of B-11 to B-19 blends through CY 2025. Starting CY 2026, the sale of these blends is assumed to decline modestly from current-law projections as higher-blend sales increase.
  - B-20 to B-49 — Sales of these blends are assumed to increase as lower blends are restricted and diesel fuel infrastructure is replaced or installed.
  - B-50 and higher blends — High-blend biodiesel is a minor motor fuel in terms of gallons sold, and sales are assumed to increase modestly compared to the current-law assumptions as a result of the 10.0 cent per gallon tax credit that becomes available January 1, 2022.
  - Tax-Exempt (Dyed) Gallons — Tax-exempt gallons are assumed to remain at the CY 2019 level for all blends for all years.
- Diesel (B-0) and pure biodiesel (B-100) have different energy contents by volume. Diesel contains 128,700 BTU per gallon, while B-100 contains 117,093 BTU per gallon. A vehicle that travels a given distance on B-0 will require a greater volume of fuel to travel the same distance on a biodiesel blend. This estimate assumes the same number of miles driven by Iowa retail fuel purchasers under the Bill as is assumed under current law. In order to account for the miles per gallon difference between fuel blends, this projection adjusts the overall fuel volume using the following energy factors listed below.
  - B-0 = 1.000
  - B-5 = 1.005
  - B-11 = 1.010
  - B-20 = 1.018
  - B-30 = 1.067
  - B-100 = 1.099
- The Bill changes the existing income tax credit for biodiesel sales from one based on biodiesel content to one based on biodiesel content and the time of year of the sale. The projected change in tax credits earned for each blend is calculated as follows:
  - B-0 to B-5 — No change as these fuels do not earn tax credits under current law or under the Bill.
  - B-5 to B-10 — Reduced tax credits earned as the current credit for B-5 to B-10 gallons is eliminated in the Bill.
  - B-11 to B-19 — For CY 2022 through CY 2024, tax credits are reduced (base gallons times 5.5-cent tax rate) as the Bill eliminates the tax credit for these blends. Then, 25.0% of CY 2022 through CY 2028 projected gallons are assumed to be winter sales and therefore earn a 4.0-cent tax credit under the Bill. Summer sales (the remaining 75.0%) of these blends do not benefit from a tax credit.
  - B-20 to B-29 — For CY 2022 through CY 2024, tax credits are reduced (base gallons times 5.5-cent tax rate) as the Bill eliminates the current tax credit for these blends.

Then, 100.0% of CY 2022 through CY 2027 projected gallons earn a 6.0-cent tax credit under the Bill.

- B-30 to B-100 — For CY 2022 through CY 2024, tax credits are reduced (base gallons times 5.5-cent tax rate) as the Bill eliminates the current tax credit for these blends. Then, 100.0% of CY 2022 through CY 2027 projected gallons earn a 6.0-cent tax credit under the Bill.
- Biodiesel tax credits are refundable, and therefore 100.0% of earned credits are assumed to be redeemed. It is assumed that tax credits earned for a calendar year are redeemed 50.0% in the fiscal year that begins after the end of the calendar year and 50.0% in the succeeding fiscal year.
- Current Iowa law provides a [Biodiesel Production Credit](#) equal to 2.0 cents for every gallon of biodiesel produced in the State. A single production facility is limited to no more than \$500,000 (25.0 million gallons) in credits each calendar year. The credit sunsets at the end of CY 2024. This Bill is projected to increase the amount of biodiesel consumed in Iowa as vehicle fuel, so the Bill has the potential of increasing claims for the Biodiesel Production Credit. If the Bill increases biodiesel production at Iowa facilities that do not reach the annual credit maximum, then the Bill will also increase the tax credit amount that is earned and redeemed. For CY 2016 through CY 2020, 21.0% of credits earned were associated with facilities that did not meet the \$500,000 maximum in a given year. For this projection, it is assumed that 21.0% of the increase in biodiesel production that is the projected result of the law changes in the Bill will occur at Iowa facilities that do not meet the \$500,000 maximum for the year.
- **Appendix B — Diesel** provides blended and unblended diesel sales assumptions and the resulting projection for tax credits earned and redeemed.

### **Fuel Tax**

- Until July 1, 2026, current Iowa law provides for differing rates of per-gallon fuel tax depending on the percent of biofuel content in the fuel.
  - Motor fuel (gasoline) classified as E-0 to E-14 is taxed at 30.0 cents per gallon, while fuel classified as E-15 or higher is taxed at 24.0 cents to 30.0 cents, depending on the percentage of gallons sold at a classification of E-15 or higher during the previous calendar year.
  - Special fuel (diesel) below B-11 is taxed at 32.5 cents per gallon while fuel classified as B-11 or higher is taxed at 29.5 cents to 32.5 cents, depending on the percentage of gallons sold at B-11 or higher during the previous calendar year.
  - Beginning July 1, 2026, all gasoline is taxed at 30.0 cents per gallon and all diesel is taxed at 32.5 cents.

The Bill promotes the sale of higher blends of gasoline and diesel fuel through a combination of infrastructure grants, installation requirements, tax credit changes, and retail restrictions. This fiscal impact projection assumes the promotional aspects of the Bill will be successful and the fuel mix sold in Iowa during a year will shift toward higher biofuel blends. The fuel tax revenue result of the assumed changes in biofuel blends is expected to be minor until July 1, 2026, when the tax rates for all gallons will be the same. After July 1, 2026, the impact on fuel tax revenue is projected to be positive, due to the lower energy content of higher biofuel blends combined with the assumption that the Bill will not alter the number of miles Iowans drive using gasoline and diesel fuel in a year.

### **Fiscal Impact**

**Gasoline and Diesel Retail and Production Tax Credits** — The Bill is projected to alter the mix of fuels sold in Iowa through increased grants for retail infrastructure replacement, installation requirements, enhanced income tax credits for fuel retailers, and retail advertising and sales restrictions. **Table 3** displays the estimated impact by tax credit provision and by



fiscal year. Since all four credits are set to sunset at the end of CY 2028 or before under current law and under the Bill, there is no projected General Fund fiscal impact beyond FY 2030.

	E-15	E-85	Biodiesel	Biodiesel Production Credit	Total
FY 2023	\$ 0.0	\$ 0.0	\$ 0.0	\$ -0.1	\$ -0.1
FY 2024	0.6	-0.2	10.8	-0.1	11.1
FY 2025	0.7	-0.4	21.8	-0.1	22.0
FY 2026	-0.1	-0.4	22.2	0.0	21.7
FY 2027	-4.2	-2.1	2.0	0.0	-4.3
FY 2028	-8.6	-3.8	-18.9	0.0	-31.3
FY 2029	-19.1	-3.9	-19.9	0.0	-42.9
FY 2030	-14.5	-1.9	-10.2	0.0	-26.6
FY 2031	0.0	0.0	0.0	0.0	0.0
	\$ -45.2	\$ -12.7	\$ 7.8	\$ -0.3	\$ -50.4

**Gasoline and Diesel Fuel Tax** — The Bill is projected to change the annual amount of gross fuel tax revenue collected. The change is due to the projected increase in the sale of fuel blends with higher biofuel content in combination with the additional gallons of blended fuel that must be purchased as a result of the lower energy content in higher biofuel blends. The combined result is a minor projected change over the combined years of FY 2021 through FY 2026. An increase in fuel tax revenue of approximately \$9.0 million per year is projected beginning with FY 2027, when all blends of taxed fuel gallons will be subject to a tax rate of 30.0 cents per gallon of gasoline and 32.5 cents for diesel.

**Sources**

Monthly Fuel Tax Reports  
Retailers Fuel Gallons Annual Report  
Iowa State University Extension ([energy content of fuels](#))  
Department of Revenue  
Iowa Code section [452A.3](#) (fuel tax rates)  
Legislative Services Agency analysis

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

**Appendix A — Gasoline**  
**Retail Gasoline Motor Fuel Sales and Income Tax Credits**  
Due to rounding of displayed numbers, rows may not add to totals.

**Iowa Retailers Fuel Gallons Report, in Millions**

Reported Retail Gallons		E-0	E-10	E-15	E-20	E-85	Total Gallons
CY 2016	Actual	218.6	1,349.5	5.5	3.0	13.5	1,590.1
CY 2017	Actual	199.4	1,314.9	27.7	1.2	20.6	1,563.7
CY 2018	Actual	202.3	1,300.1	35.5	1.0	20.2	1,559.0
CY 2019	Actual	211.5	1,284.3	49.0	1.1	19.0	1,564.9

**Adjusted Iowa Retailers Fuel Gallons, in Millions**

		E-0	E-10	E-15	E-20	E-85	Total Gallons
CY 2016	Adjusted	242.9	1,499.5	6.1	3.4	15.0	1,766.9
CY 2017	Adjusted	225.5	1,487.3	31.3	1.3	23.3	1,768.8
CY 2018	Adjusted	216.4	1,390.4	37.9	1.1	21.6	1,667.3
CY 2019	Adjusted	224.1	1,360.5	51.9	1.1	20.2	1,657.7

**Current Law and Proposed Law Projected Fuel Gallons, in Millions**

		E-0	E-10	E-15	E-20	E-85	Total Gallons
CY 2021	Current Law	224.1	1,340.3	72.4	1.1	20.2	1,658.1
CY 2022	Current Law	224.1	1,330.2	82.6	1.1	20.2	1,658.2
CY 2023	Current Law	224.1	1,320.1	92.9	1.1	20.2	1,658.4
CY 2024	Current Law	224.1	1,310.0	103.2	1.1	20.2	1,658.6
CY 2025	Current Law	224.1	1,300.0	113.4	1.1	20.2	1,658.8
CY 2026	Current Law	224.1	1,289.9	123.7	1.1	20.2	1,659.0
CY 2027	Current Law	224.1	1,279.8	133.9	1.1	20.2	1,659.1
CY 2028	Current Law	224.1	1,269.7	144.2	1.1	20.2	1,659.3
CY 2021	Proposed Law	224.1	1,340.3	72.4	1.1	20.2	1,658.1
CY 2022	Proposed Law	89.6	1,458.6	91.8	1.2	22.8	1,664.0
CY 2023	Proposed Law	67.2	1,447.6	126.5	1.4	22.8	1,665.5
CY 2024	Proposed Law	44.8	1,436.5	161.3	1.6	22.8	1,667.0
CY 2025	Proposed Law	22.4	1,425.4	195.6	1.7	23.5	1,668.6
CY 2026	Proposed Law	22.4	1,389.5	231.6	1.9	24.1	1,669.5
CY 2027	Proposed Law	22.4	909.2	718.1	4.9	24.1	1,678.7
CY 2028	Proposed Law	22.4	228.0	1,407.9	8.6	24.8	1,691.7

**Projected Change in Retail Gallons, in Millions**

		E-0	E-10	E-15	E-20	E-85	Total Gallons
CY 2021	Projected	0.0	0.0	0.0	0.0	0.0	0.0
CY 2022	Projected	-134.5	128.4	9.2	0.1	2.6	5.8
CY 2023	Projected	-156.9	127.5	33.6	0.3	2.6	7.1
CY 2024	Projected	-179.3	126.5	58.1	0.5	2.6	8.4
CY 2025	Projected	-201.7	125.4	82.2	0.6	3.3	9.8
CY 2026	Projected	-201.7	99.6	107.9	0.8	3.9	10.5
CY 2027	Projected	-201.7	-370.6	584.2	3.8	3.9	19.6
CY 2028	Projected	-201.7	-1,041.7	1,263.7	7.5	4.6	32.4

**Projected Change in Income Tax Credits Earned Due to Change in Fuel Sales, in Millions**

		E-0	E-10	E-15	E-20	E-85	Total Tax Credits
CY 2021	Projected	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
CY 2022	Projected	0.0	0.0	-1.1	0.0	0.4	-0.7
CY 2023	Projected	0.0	0.0	-0.3	0.0	0.4	0.1
CY 2024	Projected	0.0	0.0	0.5	0.0	0.4	0.9
CY 2025	Projected	0.0	0.0	7.8	0.1	3.8	11.7
CY 2026	Projected	0.0	0.0	9.3	0.1	3.9	13.2
CY 2027	Projected	0.0	0.0	28.7	0.2	3.9	32.8
CY 2028	Projected	0.0	0.0	0.0	0.0	0.0	0.0

**Projected Change in Income Tax Credit Redemptions, in Millions**

		E-0	E-10	E-15	E-20	E-85	Total Tax Credits
FY 2023	Projected	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
FY 2024	Projected	0.0	0.0	-0.6	0.0	0.2	-0.4
FY 2025	Projected	0.0	0.0	-0.7	0.0	0.4	-0.3
FY 2026	Projected	0.0	0.0	0.1	0.0	0.4	0.5
FY 2027	Projected	0.0	0.0	4.1	0.0	2.1	6.3
FY 2028	Projected	0.0	0.0	8.5	0.1	3.8	12.4
FY 2029	Projected	0.0	0.0	19.0	0.1	3.9	23.0
FY 2030	Projected	0.0	0.0	14.4	0.1	1.9	16.4
FY 2031	Projected	0.0	0.0	0.0	0.0	0.0	0.0

**Appendix B — Diesel**  
**Retail Diesel Motor Fuel Sales and Income Tax Credits**  
Due to rounding of displayed numbers, rows may not add to totals.

**Iowa Retailers Fuel Gallons Report, in Millions**

Reported Retail Gallons		<u>B-0</u>	<u>B-1 to B-4</u>	<u>B-5 to B-10</u>	<u>B-11 to B-19</u>	<u>B-20 to B-29</u>	<u>B-30 to B-100</u>	Total Gallons
CY 2016	Actual	285.1	9.5	95.2	203.1	37.1	0.0	630.0
CY 2017	Actual	242.7	7.1	66.1	229.9	85.1	0.2	631.1
CY 2018	Actual	214.1	11.6	109.4	232.7	69.0	0.3	637.1
CY 2019	Actual	191.7	7.0	69.5	291.2	76.9	0.5	636.9
CY 2019	Exempt Gallons	150.8	0.7	40.7	7.0	1.5	0.0	200.7

**Adjusted Iowa Retailers Fuel Gallons, in Millions**

		<u>B-0</u>	<u>B-1 to B-4</u>	<u>B-5 to B-10</u>	<u>B-11 to B-19</u>	<u>B-20 to B-29</u>	<u>B-30 to B-100</u>	Total Gallons
CY 2016	Adjusted	322.8	10.7	107.8	230.0	42.0	0.0	713.4
CY 2017	Adjusted	279.6	8.2	76.2	264.9	98.0	0.3	727.1
CY 2018	Adjusted	248.1	13.4	126.7	269.7	80.0	0.3	738.2
CY 2019	Adjusted	227.6	8.3	82.6	345.9	91.4	0.6	756.4
CY 2019	Exempt Gallons	150.8	0.7	40.7	7.0	1.5	0.0	200.7

**Current Law Projected Taxed and Exempt Diesel Fuel Gallons, in Millions**

		<u>B-0</u>	<u>B-1 to B-4</u>	<u>B-5 to B-10</u>	<u>B-11 to B-19</u>	<u>B-20 to B-29</u>	<u>B-30 to B-100</u>	Total Gallons
CY 2021	Current Law	356.4	8.2	117.3	383.7	110.8	0.7	977.1
CY 2022	Current Law	345.4	7.8	114.3	399.1	119.8	0.7	987.1
CY 2023	Current Law	334.4	7.4	111.3	414.5	128.8	0.7	997.1
CY 2024	Current Law	323.4	7.0	108.3	429.9	137.8	0.7	1,007.1
CY 2025	Current Law	312.4	6.6	105.3	445.3	146.8	0.7	1,017.1
CY 2026	Current Law	301.4	6.2	102.3	460.7	155.8	0.7	1,027.1
CY 2027	Current Law	290.4	5.8	99.3	476.1	164.8	0.7	1,037.1
CY 2028	Current Law	279.4	5.4	96.3	491.5	173.8	0.7	1,047.1

**Proposed Law Projected Taxed and Exempt Diesel Fuel Gallons, in Millions**

		<u>B-0</u>	<u>B-1 to B-4</u>	<u>B-5 to B-10</u>	<u>B-11 to B-19</u>	<u>B-20 to B-29</u>	<u>B-30 to B-100</u>	Total Gallons
CY 2021	Proposed Law	356.4	8.2	117.3	383.7	110.8	0.7	977.1
CY 2022	Proposed Law	267.6	5.0	85.2	449.2	181.7	0.8	989.5
CY 2023	Proposed Law	261.0	4.7	83.3	454.5	194.9	0.9	999.3
CY 2024	Proposed Law	254.4	4.5	81.5	454.8	213.1	1.0	1,009.3
CY 2025	Proposed Law	247.8	4.2	79.7	458.2	228.2	1.1	1,019.2
CY 2026	Proposed Law	241.2	4.0	77.9	460.7	244.3	1.2	1,029.3
CY 2027	Proposed Law	234.6	3.8	76.1	462.3	261.3	1.2	1,039.3
CY 2028	Proposed Law	228.0	3.5	74.3	458.2	284.1	1.2	1,049.3

**Projected Change in Taxed and Exempt Diesel Fuel Gallons, in Millions**

		<u>B-0</u>	<u>B-1 to B-4</u>	<u>B-5 to B-10</u>	<u>B-11 to B-19</u>	<u>B-20 to B-29</u>	<u>B-30 to B-100</u>	Total Gallons
CY 2021	Projected	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CY 2022	Projected	-77.8	-2.8	-29.1	50.1	61.9	0.1	2.4
CY 2023	Projected	-73.4	-2.7	-28.0	40.0	66.1	0.2	2.2
CY 2024	Projected	-69.0	-2.5	-26.8	24.9	75.3	0.3	2.2
CY 2025	Projected	-64.6	-2.4	-25.6	12.9	81.4	0.4	2.1
CY 2026	Projected	-60.2	-2.2	-24.4	0.0	88.5	0.5	2.2
CY 2027	Projected	-55.8	-2.0	-23.2	-13.8	96.5	0.5	2.2
CY 2028	Projected	-51.4	-1.9	-22.0	-33.3	110.3	0.5	2.2

**Projected Change in Income Tax Credits Earned Due to Change in Fuel Sold, in Millions**

		<u>B-0</u>	<u>B-1 to B-4</u>	<u>B-5 to B-10</u>	<u>B-11 to B-19</u>	<u>B-20 to B-29</u>	<u>B-30 to B-100</u>	Total Tax Credits
CY 2021	Projected	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
CY 2022	Projected	0.0	0.0	-4.0	-21.9	4.3	0.0	-21.6
CY 2023	Projected	0.0	0.0	-4.0	-22.8	4.6	0.1	-22.1
CY 2024	Projected	0.0	0.0	-4.0	-23.6	5.2	0.1	-22.3
CY 2025	Projected	0.0	0.0	0.0	4.6	13.7	0.1	18.4
CY 2026	Projected	0.0	0.0	0.0	4.6	14.7	0.1	19.4
CY 2027	Projected	0.0	0.0	0.0	4.6	15.7	0.1	20.4
CY 2028	Projected	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Projected Change in Income Tax Credit Redemptions, in Millions**

		<u>B-0</u>	<u>B-1 to B-4</u>	<u>B-5 to B-10</u>	<u>B-11 to B-19</u>	<u>B-20 to B-29</u>	<u>B-30 to B-100</u>	Total Tax Credits
FY 2023	Projected	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
FY 2024	Projected	0.0	0.0	-2.0	-11.0	2.2	0.0	-10.8
FY 2025	Projected	0.0	0.0	-4.0	-22.3	4.5	0.0	-21.8
FY 2026	Projected	0.0	0.0	-4.0	-23.2	4.9	0.1	-22.2
FY 2027	Projected	0.0	0.0	-2.0	-9.5	9.4	0.1	-2.0
FY 2028	Projected	0.0	0.0	0.0	4.6	14.2	0.1	18.9
FY 2029	Projected	0.0	0.0	0.0	4.6	15.2	0.1	19.9
FY 2030	Projected	0.0	0.0	0.0	2.3	7.8	0.1	10.2
FY 2031	Projected	0.0	0.0	0.0	0.0	0.0	0.0	0.0