Legislative Services Agency
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Fiscal Services Division

Fiscal Topic

Tax Credit: E-15 Plus Gasoline Promotion Tax Credit

November 5, 2026

Purpose and History

E-15 Plus Gasoline Promotion Tax Credit is available to gasoline retail dealers that sell blended gasoline that is classified as E-15 (15.0% ethanol content) or higher but not classified as E-85 gasoline (70.0% to 85.0% ethanol content). Beginning with calendar year (CY) 2023, the tax credit amount was equal to $0.09 per blended gallon during the entire year.

The retail dealer is allowed to claim the E-15 Plus Gasoline Promotion Tax Credit on the same gallons used to calculate the dealer's Ethanol Promotion Tax Credit.

Tax Credit Background

- Enabling Legislation: 2011 Iowa Acts, chapter 113 (Motor Fuel Regulation, Dispensing, and Tax Credit Act)
- Iowa Code Citations:
  - Section 422.11Y — Individual Income Tax
  - Section 422.33(11D) — Corporate Income Tax
- Administrative State Agency: None
- Sunset Date: January 1, 2028
- Transferable: No
- Refundable: Yes
- Carryforward: Instead of a refund, the taxpayer may choose to carry forward unused credits to the next tax year.
- Tax Review Committee Review Year: 2019

Legislative History

As originally enacted in 2011, the tax credit equaled $0.03 per blended gallon for CY 2012 through CY 2014 and $0.02 per blended gallon for CY 2015 through CY 2017. There was no tax credit for blended gallons beyond CY 2017. A sunset date of January 1, 2018, was established in the original legislation.

In 2014, the tax credit amount was made seasonal. Beginning with CY 2014, gallons sold from June 1 through September 15 earned a tax credit of $0.10 per blended gallon. For all other dates, the tax credit was equal to $0.03 per blended gallon. In 2016, the sunset date for the tax credit was extended seven years to January 1, 2025.

In 2022, the tax credit amount was changed to $0.09 per blended gallon throughout the entire year, and the sunset date for the tax credit was extended one year to January 1, 2026.

In 2025, the sunset date for the tax credit was extended two years to January 1, 2028.

Tax Credit Review, Usage, and Future Liability

The following is based on a Department of Revenue review of the E-15 Plus Gasoline Promotion Tax Credit released in December 2024 and the CY 2025 Retailers Fuel Gallons Annual Report:

- For CY 2025:
  - Iowa retailers reported the sale of 256.7 million gallons of ethanol blended gasoline qualifying as E-15, an amount equal to 27.2% of all retail gasoline gallons sold.
  - The amount of pure ethanol calculated as a component of blended gasoline was 167.8 million gallons, an amount equal to 11.1% of the total volume of gasoline fuel sold by the reporting retailers.
  - Using a conversion rate of 2.8 gallons of ethanol per bushel of corn, the 61.5 million gallons of pure ethanol sold in Iowa as a component of E-15 blended gasoline represents the utilization of 22.0 million bushels of corn (0.7% of the 2024 Iowa corn crop).
- For tax year (TY) 2010 through TY 2022:
  - A total of $21.8 million in E-15 Plus Gasoline Promotion Tax Credit claims was claimed by taxpayers, with 16.9% claimed by corporate taxpayers and 83.1% by individual taxpayers (includes business income passed through to the individual income tax return).
  - Over the 13 tax years, the average number of taxpayers' claims for the tax credit per year was 111. The average corporate income tax claim is $12,000 and the average individual income tax claim (including pass-through business income to individuals) is $16,000.

The Department of Revenue reports on the annual credit usage for the E-15 Plus Gasoline Promotion Tax Credit in its periodic Contingent Liabilities Report. Based on Table 8 of the report, **Figure 1** data provides credit redemption history and projections for the E-15 Plus Gasoline Promotion Tax Credit on a fiscal year basis. The blue bars of **Figure 2** indicate actual credit redemptions, while the red bars are Department of Revenue projections of future redemptions.

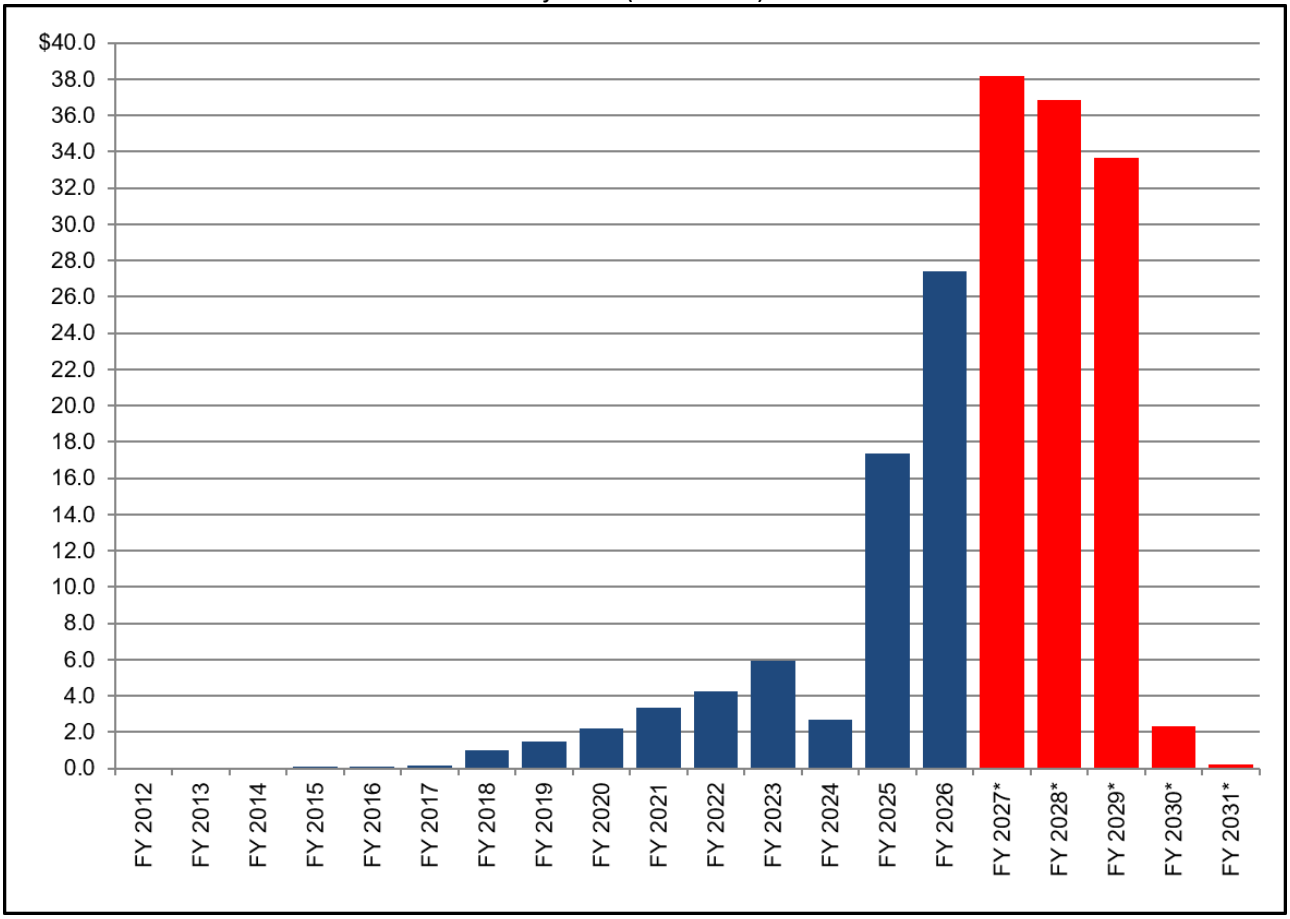
Figure 1 — E-15 Plus Gasoline Promotion Tax Credit History

*Projected

Fiscal Year	Tax Credit Redemptions	Fiscal Year	Tax Credit Redemptions
FY 2012	$ 8,805	FY 2022	$ 4,236,236
FY 2013	10,942	FY 2023	5,923,861
FY 2014	40,343	FY 2024	2,684,226
FY 2015	68,671	FY 2025	17,353,452
FY 2016	102,900	FY 2026	27,385,818
FY 2017	165,943	FY 2027*	38,171,574
FY 2018	1,003,936	FY 2028*	36,879,276
FY 2019	1,481,851	FY 2029*	33,663,916
FY 2020	2,177,220	FY 2030*	2,321,815
FY 2021	3,346,046	FY 2031*	186,017

Figure 2 — E-15 Plus Gasoline Promotion Tax Credit Redemptions

*Projected (in Millions)



Additional Information

For additional information, visit:

- Iowa Department of Revenue Contingent Liabilities Report
- Iowa Department of Revenue Tax Credit Users' Manual
- Legislative Services Agency Individual Income Tax Guide
- Legislative Service Agency Corporate Income Tax and Franchise Tax Guide
- Iowa Department of Revenue Tax Credit Review
- Iowa Department of Revenue 2025 Retailers Fuel Gallons Annual Report

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