

... 4/2 L. Pass 4/17/91 (p. 194)

MAR 16 1991

HOUSE FILE 657

Place On Calendar

BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 295)

Passed House, Date 4/2/91 (p. 993) Passed Senate, Date 4/17/91 (p. 1300)  
Vote: Ayes 95 Nays 0 Vote: Ayes 47 Nays 0  
Approved April 30, 1991 (p. 1939)

A BILL FOR

1 An Act relating to alcohol blended gasoline, by changing  
2 references from gasohol to ethanol blended gasoline.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 657

1 Section 1. Section 214A.2, subsection 3, paragraphs a and  
2 b, Code 1991, are amended to read as follows:

3 a. Gasoline with a mixture of ten percent or more ethanol,  
4 but not more than thirteen percent, shall be known as ~~gasohol~~  
5 conventional blend ethanol.

6 b. Gasoline with a mixture of more than thirteen percent  
7 ethanol, but not more than twenty-five percent, shall be known  
8 as high blend ethanol. For purposes of chapters 323A, 324,  
9 and 422, high blend ethanol shall be treated as ~~gasohol~~  
10 conventional blend ethanol.

11 Sec. 2. Section 323A.2, subsection 1, paragraph a, Code  
12 1991, is amended to read as follows:

13 a. At least forty-eight hours prior to entering into an  
14 agreement to purchase motor fuel from another source, the  
15 franchisee has requested delivery of motor fuel from the  
16 franchisor and the requested motor fuel has not been delivered  
17 and the franchisor has given the franchisee notice that the  
18 franchisor is unable to provide the requested motor fuel, or  
19 prior to entering into an agreement the franchisor has stated  
20 to the franchisee that the requested motor fuel will not be  
21 delivered. The request to the franchisor for delivery shall  
22 be for a type of fuel normally provided by the franchisor to  
23 the franchisee and for a quantity of fuel not exceeding the  
24 average amount sold by the franchisee in one week, based upon  
25 average weekly sales in the three months preceding the  
26 request, except that this provision shall not restrict a  
27 franchisee from purchasing ~~gasohol~~ ethanol blended gasoline  
28 from a source other than the franchisor or limit the quantity  
29 to be purchased when the franchisor does not normally supply  
30 the franchisee with ~~gasohol~~ ethanol blended gasoline.

31 Sec. 3. Section 324.2, subsection 7, Code 1991, is amended  
32 to read as follows:

33 7. "~~Gasohol~~" "Ethanol blended gasoline" means motor fuel  
34 containing at least ten percent alcohol distilled from cereal  
35 grains.

1 Sec. 4. Section 324.3, subsection 5, unnumbered paragraph  
2 3, Code 1991, is amended to read as follows:

3 For the privilege of operating motor vehicles in this state  
4 an excise tax of ~~fifteen-cents-per-gallon-for-the-period~~  
5 ~~beginning-January-1,-1986,-and-ending-March-31,-1988,-and~~  
6 ~~seventeen-cents-per-gallon-for-the-period-beginning-April-1,~~  
7 ~~1988,-and-ending-December-31,-1988,-and~~ nineteen cents per  
8 gallon beginning January 1, 1989, and ending June 30, 1992, is  
9 imposed upon the use of ~~gasohol~~ ethanol blended gasoline used  
10 for any purpose except as otherwise provided in this division.

11 Sec. 5. Section 324.8, subsection 6, Code 1991, is amended  
12 to read as follows:

13 6. The sum of the number of invoiced gallons of ~~gasohol~~  
14 ethanol blended gasoline which are received tax free by the  
15 distributor during the next preceding calendar month less the  
16 number of gallons of ~~gasohol~~ ethanol blended gasoline equal to  
17 two per centum of the first three hundred thousand gallons and  
18 one per centum of all gallonage in excess of three hundred  
19 thousand gallons of ~~gasohol~~ ethanol blended gasoline received  
20 or blended by the distributor within this state during the  
21 next preceding calendar month after deduction provided in this  
22 subsection, this percentage being a flat allowance to cover  
23 evaporation, shrinkage and losses in collection, accounting  
24 for, and paying over the tax on ~~gasohol~~ ethanol blended  
25 gasoline, and the number of gallons of ~~gasohol~~ ethanol blended  
26 gasoline blended by the distributor during the next preceding  
27 calendar month shall be multiplied by the per gallon motor  
28 fuel tax rate applicable to ~~gasohol~~ ethanol blended gasoline.

29 Sec. 6. Section 324.8, subsection 7, unnumbered paragraph  
30 2, Code 1991, is amended to read as follows:

31 For the purpose of determining the amount of the tax  
32 liability on alcohol blended to produce ~~gasohol~~ ethanol  
33 blended gasoline, each licensed blender shall, not later than  
34 thirty-one days following the last day of each month, file  
35 with the department a monthly report, signed under penalty for

1 false certificate, which shall include the following: The  
2 number of gallons of gasoline blended into ~~gasohol~~ ethanol  
3 blended gasoline, the number of gallons of alcohol blended  
4 into ~~gasohol~~ ethanol blended gasoline. The amount of alcohol  
5 blended shall be multiplied by the per gallon motor fuel tax  
6 rate applicable to ~~gasohol~~ ethanol blended gasoline.

7 Sec. 7. Section 324.18, Code 1991, is amended to read as  
8 follows:

9 324.18 REFUND PERMIT.

10 A person shall not claim a refund under section 324.17 or  
11 section 324.21 until the person has obtained a refund permit  
12 from the department. A special permit shall be obtained by  
13 applicants claiming a refund under this chapter on account of  
14 motor fuel used to blend ~~gasohol~~ ethanol blended gasoline.  
15 Application for a refund permit shall be made to the  
16 department on a form provided by the department, shall be  
17 certified by the applicant under penalty for false certificate  
18 and shall contain among other things, the name, address, and  
19 occupation of the applicant, the nature of the applicant's  
20 business, and a sufficient description for identification of  
21 the machines and equipment in which is to be used motor fuel  
22 for which refund may be claimed under the permit. Each permit  
23 shall bear a separate number and each claim for refund shall  
24 bear the number of the permit under which it is made. The  
25 department shall keep a permanent record of all permits issued  
26 and a cumulative record of the amount of refund claimed and  
27 paid under each. A refund permit shall continue in effect  
28 until it is revoked or becomes invalid.

29 Sec. 8. Section 324.21, unnumbered paragraph 1, Code 1991,  
30 is amended to read as follows:

31 Persons other than distributors licensed under this  
32 division who blend motor fuel and alcohol to produce ~~gasohol~~  
33 ethanol blended gasoline may file for a refund for the  
34 difference between taxes paid on the motor fuel purchased to  
35 produce ~~gasohol~~ ethanol blended gasoline and the tax due on

1 the ~~gasohol~~ ethanol blended gasoline blended. If, during any  
2 month, a person licensed as a distributor under this division  
3 uses tax paid motor fuel to blend ~~gasohol~~ ethanol blended  
4 gasoline and the refund otherwise due under this section is  
5 greater than the distributor's total tax liability for that  
6 month, the distributor will be entitled to a credit. The  
7 claim for credit shall be filed as part of the report required  
8 by section 324.8.

9 Sec. 9. Section 324.21, unnumbered paragraph 3, Code 1991,  
10 is amended to read as follows:

11 A refund or credit memorandum will not be issued unless the  
12 claim is filed within ninety days following the end of the  
13 month during which the ~~gasohol~~ ethanol blended gasoline was  
14 actually blended.

15 Sec. 10. Section 324.85, subsection 1, Code 1991, is  
16 amended to read as follows:

17 1. Persons having title to motor fuel, ~~gasohol~~ ethanol  
18 blended gasoline, or special fuel in storage and held for sale  
19 on the effective date of an increase in the excise tax rate  
20 imposed on motor fuel, ~~gasohol~~ ethanol blended gasoline, or  
21 special fuel under this chapter shall be subject to an  
22 inventory tax based upon the gallonage in storage as of the  
23 close of the business day next preceding the effective date of  
24 the increased excise tax rate of motor fuel, ~~gasohol~~ ethanol  
25 blended gasoline, or special fuel which will be subject to the  
26 increased excise tax rate.

27 Sec. 11. Section 422.45, subsection 11, Code 1991, is  
28 amended to read as follows:

29 11. The gross receipts from the sale of motor fuel and  
30 special fuel consumed for highway use or in watercraft or  
31 aircraft where the fuel tax has been imposed and paid and no  
32 refund has been or will be allowed and the gross receipts from  
33 the sales of ~~gasohol~~ ethanol blended gasoline, as defined in  
34 section 324.2.

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EXPLANATION

1 This bill amends Code provisions regarding gasohol which is  
2 gasoline blended with alcohol. The bill changes the term  
3 "gasohol" to "ethanol blended gasoline". Current law  
4 distinguishes between types of alcohol blended gasoline.  
5 Chapter 214A refers to gasoline containing a mixture of  
6 between 10 percent and 13 percent alcohol as gasohol. The  
7 bill changes this term to "conventional blended ethanol".

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HSB 295

MWB

Agriculture

HOUSE FILE 657

BY (PROPOSED COMMITTEE ON  
AGRICULTURE BILL BY  
CHAIRPERSON FOGARTY)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to alcohol blended gasoline, by changing  
2 references from gasohol to ethanol blended gasoline.  
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4 but not more than thirteen percent, shall be known as ~~gasohol~~  
5 conventional blend ethanol.

6 b. Gasoline with a mixture of more than thirteen percent  
7 ethanol, but not more than twenty-five percent, shall be known  
8 as high blend ethanol. For purposes of chapters 323A, 324,  
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10 conventional blend ethanol.

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12 1991, is amended to read as follows:

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16 franchisor and the requested motor fuel has not been delivered  
17 and the franchisor has given the franchisee notice that the  
18 franchisor is unable to provide the requested motor fuel, or  
19 prior to entering into an agreement the franchisor has stated  
20 to the franchisee that the requested motor fuel will not be  
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24 average amount sold by the franchisee in one week, based upon  
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32 to read as follows:

33 7. "~~Gasohol~~" "Ethanol blended gasoline" means motor fuel  
34 containing at least ten percent alcohol distilled from cereal  
35 grains.



1 Sec. 4. Section 324.3, subsection 5, unnumbered paragraph  
2 3, Code 1991, is amended to read as follows:

3 For the privilege of operating motor vehicles in this state  
4 an excise tax of ~~fifteen-cents-per-gallon-for-the-period~~  
5 ~~beginning-January-17-19867-and-ending-March-317-19887-and~~  
6 ~~seventeen-cents-per-gallon-for-the-period-beginning-April-17~~  
7 ~~19887-and-ending-December-317-19887-and~~ nineteen cents per  
8 gallon beginning January 1, 1989, and ending June 30, 1992, is  
9 imposed upon the use of ~~gasohol~~ ethanol blended gasoline used  
10 for any purpose except as otherwise provided in this division.

11 Sec. 5. Section 324.8, subsection 6, Code 1991, is amended  
12 to read as follows:

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15 distributor during the next preceding calendar month less the  
16 number of gallons of ~~gasohol~~ ethanol blended gasoline equal to  
17 two per centum of the first three hundred thousand gallons and  
18 one per centum of all gallonage in excess of three hundred  
19 thousand gallons of ~~gasohol~~ ethanol blended gasoline received  
20 or blended by the distributor within this state during the  
21 next preceding calendar month after deduction provided in this  
22 subsection, this percentage being a flat allowance to cover  
23 evaporation, shrinkage and losses in collection, accounting  
24 for, and paying over the tax on ~~gasohol~~ ethanol blended  
25 gasoline, and the number of gallons of ~~gasohol~~ ethanol blended  
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27 calendar month shall be multiplied by the per gallon motor  
28 fuel tax rate applicable to ~~gasohol~~ ethanol blended gasoline.

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30 2, Code 1991, is amended to read as follows:

31 For the purpose of determining the amount of the tax  
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34 thirty-one days following the last day of each month, file  
35 with the department a monthly report, signed under penalty for

1 false certificate, which shall include the following: The  
2 number of gallons of gasoline blended into gasohol ethanol  
3 blended gasoline, the number of gallons of alcohol blended  
4 into gasohol ethanol blended gasoline. The amount of alcohol  
5 blended shall be multiplied by the per gallon motor fuel tax  
6 rate applicable to gasohol ethanol blended gasoline.

7 Sec. 7. Section 324.18, Code 1991, is amended to read as  
8 follows:

9 324.18 REFUND PERMIT.

10 A person shall not claim a refund under section 324.17 or  
11 section 324.21 until the person has obtained a refund permit  
12 from the department. A special permit shall be obtained by  
13 applicants claiming a refund under this chapter on account of  
14 motor fuel used to blend gasohol ethanol blended gasoline.  
15 Application for a refund permit shall be made to the  
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17 certified by the applicant under penalty for false certificate  
18 and shall contain among other things, the name, address, and  
19 occupation of the applicant, the nature of the applicant's  
20 business, and a sufficient description for identification of  
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1 the ~~gasohol~~ ethanol blended gasoline blended. If, during any  
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3 uses tax paid motor fuel to blend ~~gasohol~~ ethanol blended  
4 gasoline and the refund otherwise due under this section is  
5 greater than the distributor's total tax liability for that  
6 month, the distributor will be entitled to a credit. The  
7 claim for credit shall be filed as part of the report required  
8 by section 324.8.

9 Sec. 9. Section 324.21, unnumbered paragraph 3, Code 1991,  
10 is amended to read as follows:

11 A refund or credit memorandum will not be issued unless the  
12 claim is filed within ninety days following the end of the  
13 month during which the ~~gasohol~~ ethanol blended gasoline was  
14 actually blended.

15 Sec. 10. Section 324.85, subsection 1, Code 1991, is  
16 amended to read as follows:

17 1. Persons having title to motor fuel, ~~gasohol~~ ethanol  
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19 on the effective date of an increase in the excise tax rate  
20 imposed on motor fuel, ~~gasohol~~ ethanol blended gasoline, or  
21 special fuel under this chapter shall be subject to an  
22 inventory tax based upon the gallonage in storage as of the  
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24 the increased excise tax rate of motor fuel, ~~gasohol~~ ethanol  
25 blended gasoline, or special fuel which will be subject to the  
26 increased excise tax rate.

27 Sec. 11. Section 422.45, subsection 11, Code 1991, is  
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29 11. The gross receipts from the sale of motor fuel and  
30 special fuel consumed for highway use or in watercraft or  
31 aircraft where the fuel tax has been imposed and paid and no  
32 refund has been or will be allowed and the gross receipts from  
33 the sales of ~~gasohol~~ ethanol blended gasoline, as defined in  
34 section 324.2.

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EXPLANATION

1 This bill amends Code provisions regarding gasohol which is  
2 gasoline blended with alcohol. The bill changes the term  
3 "gasohol" to "ethanol blended gasoline". Current law  
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HOUSE FILE 657

AN ACT

RELATING TO ALCOHOL BLENDED GASOLINE, BY CHANGING REFERENCES  
FROM GASOHOL TO ETHANOL BLENDED GASOLINE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 214A.2, subsection 3, paragraphs a and b, Code 1991, are amended to read as follows:

a. Gasoline with a mixture of ten percent or more ethanol, but not more than thirteen percent, shall be known as gasohol conventional blend ethanol.

b. Gasoline with a mixture of more than thirteen percent ethanol, but not more than twenty-five percent, shall be known as high blend ethanol. For purposes of chapters 323A, 324, and 422, high blend ethanol shall be treated as gasohol conventional blend ethanol.

Sec. 2. Section 323A.2, subsection 1, paragraph a, Code 1991, is amended to read as follows:

a. At least forty-eight hours prior to entering into an agreement to purchase motor fuel from another source, the franchisee has requested delivery of motor fuel from the franchisor and the requested motor fuel has not been delivered and the franchisor has given the franchisee notice that the franchisor is unable to provide the requested motor fuel, or prior to entering into an agreement the franchisor has stated to the franchisee that the requested motor fuel will not be delivered. The request to the franchisor for delivery shall be for a type of fuel normally provided by the franchisor to the franchisee and for a quantity of fuel not exceeding the average amount sold by the franchisee in one week, based upon average weekly sales in the three months preceding the request, except that this provision shall not restrict a franchisee from purchasing gasohol ethanol blended gasoline

from a source other than the franchisor or limit the quantity to be purchased when the franchisor does not normally supply the franchisee with gasohol ethanol blended gasoline.

Sec. 3. Section 324.2, subsection 7, Code 1991, is amended to read as follows:

7. "~~Gasohol~~" "Ethanol blended gasoline" means motor fuel containing at least ten percent alcohol distilled from cereal grains.

Sec. 4. Section 324.3, subsection 5, unnumbered paragraph 3, Code 1991, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of ~~fifteen-cents-per-gallon-for-the-period beginning-January-1,-1987,-and-ending-March-31,-1988,-and seventeen-cents-per-gallon-for-the-period-beginning-April-1,-1988,-and-ending-December-31,-1988,-and~~ nineteen cents per gallon beginning January 1, 1989, and ending June 30, 1992, is imposed upon the use of gasohol ethanol blended gasoline used for any purpose except as otherwise provided in this division.

Sec. 5. Section 324.8, subsection 6, Code 1991, is amended to read as follows:

6. The sum of the number of invoiced gallons of gasohol ethanol blended gasoline which are received tax free by the distributor during the next preceding calendar month less the number of gallons of gasohol ethanol blended gasoline equal to two per centum of the first three hundred thousand gallons and one per centum of all gallonage in excess of three hundred thousand gallons of gasohol ethanol blended gasoline received or blended by the distributor within this state during the next preceding calendar month after deduction provided in this subsection, this percentage being a flat allowance to cover evaporation, shrinkage and losses in collection, accounting for, and paying over the tax on gasohol ethanol blended gasoline, and the number of gallons of gasohol ethanol blended gasoline blended by the distributor during the next preceding calendar month shall be multiplied by the per gallon motor fuel tax rate applicable to gasohol ethanol blended gasoline.

Sec. 6. Section 324.8, subsection 7, unnumbered paragraph 2, Code 1991, is amended to read as follows:

For the purpose of determining the amount of the tax liability on alcohol blended to produce ~~gasohol~~ ethanol blended gasoline, each licensed blender shall, not later than thirty-one days following the last day of each month, file with the department a monthly report, signed under penalty for false certificate, which shall include the following: The number of gallons of gasoline blended into ~~gasohol~~ ethanol blended gasoline, the number of gallons of alcohol blended into ~~gasohol~~ ethanol blended gasoline. The amount of alcohol blended shall be multiplied by the per gallon motor fuel tax rate applicable to ~~gasohol~~ ethanol blended gasoline.

Sec. 7. Section 324.18, Code 1991, is amended to read as follows:

324.18 REPUND PERMIT.

A person shall not claim a refund under section 324.17 or section 324.21 until the person has obtained a refund permit from the department. A special permit shall be obtained by applicants claiming a refund under this chapter on account of motor fuel used to blend ~~gasohol~~ ethanol blended gasoline. Application for a refund permit shall be made to the department on a form provided by the department, shall be certified by the applicant under penalty for false certificate and shall contain among other things, the name, address, and occupation of the applicant, the nature of the applicant's business, and a sufficient description for identification of the machines and equipment in which is to be used motor fuel for which refund may be claimed under the permit. Each permit shall bear a separate number and each claim for refund shall bear the number of the permit under which it is made. The department shall keep a permanent record of all permits issued and a cumulative record of the amount of refund claimed and paid under each. A refund permit shall continue in effect until it is revoked or becomes invalid.

Sec. 8. Section 324.21, unnumbered paragraph 1, Code 1991, is amended to read as follows:

Persons other than distributors licensed under this division who blend motor fuel and alcohol to produce ~~gasohol~~ ethanol blended gasoline may file for a refund for the difference between taxes paid on the motor fuel purchased to produce ~~gasohol~~ ethanol blended gasoline and the tax due on the ~~gasohol~~ ethanol blended gasoline blended. If, during any month, a person licensed as a distributor under this division uses tax paid motor fuel to blend ~~gasohol~~ ethanol blended gasoline and the refund otherwise due under this section is greater than the distributor's total tax liability for that month, the distributor will be entitled to a credit. The claim for credit shall be filed as part of the report required by section 324.8.

Sec. 9. Section 324.21, unnumbered paragraph 3, Code 1991, is amended to read as follows:

A refund or credit memorandum will not be issued unless the claim is filed within ninety days following the end of the month during which the ~~gasohol~~ ethanol blended gasoline was actually blended.

Sec. 10. Section 324.85, subsection 1, Code 1991, is amended to read as follows:

1. Persons having title to motor fuel, ~~gasohol~~ ethanol blended gasoline, or special fuel in storage and held for sale on the effective date of an increase in the excise tax rate imposed on motor fuel, ~~gasohol~~ ethanol blended gasoline, or special fuel under this chapter shall be subject to an inventory tax based upon the gallonage in storage as of the close of the business day next preceding the effective date of the increased excise tax rate of motor fuel, ~~gasohol~~ ethanol blended gasoline, or special fuel which will be subject to the increased excise tax rate.

Sec. 11. Section 422.45, subsection 11, Code 1991, is amended to read as follows:

11. The gross receipts from the sale of motor fuel and special fuel consumed for highway use or in watercraft or aircraft where the fuel tax has been imposed and paid and no refund has been or will be allowed and the gross receipts from the sales of ~~gasohol~~ ethanol blended gasoline, as defined in section 324.2.

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ROBERT C. ARNOULD  
Speaker of the House

---

JOE J. WELSH  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 657, Seventy-fourth General Assembly.

---

JOSEPH O'HERN  
Chief Clerk of the House

Approved April 30, 1991

---

TERRY E. BRANSTAD  
Governor

**HF 657**