

FILED JAN 16 2002

SENATE FILE 2022  
BY BEHN

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

**A BILL FOR**

1 An Act providing an individual and corporate income tax credit  
2 for the cost to install, replace, or convert motor vehicle  
3 fuel storage tanks used to store and dispense ethanol and  
4 including effective and retroactive applicability dates.

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

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SF 2022  
WAYS & MEANS

1 Section 1. NEW SECTION. 422.12F E-85 FUEL STORAGE TANK  
2 TAX CREDIT.

3 1. The taxes imposed under this division, less the credits  
4 allowed under section 422.12 and 422.12B, shall be reduced by  
5 an E-85 fuel storage tank tax credit as provided in this  
6 section. The amount of credit equals the cost, incurred  
7 during the tax year, necessary to install, replace, or convert  
8 an aboveground motor vehicle fuel storage tank for use in  
9 storing and dispensing E-85 motor fuel. The amount of the  
10 credit shall not exceed seven thousand five hundred dollars  
11 for each motor vehicle fuel storage tank installed, replaced,  
12 or converted. The motor vehicle fuel storage tank shall be  
13 located on a site where motor vehicle fuel is sold at retail  
14 by the taxpayer. To receive the credit the taxpayer shall  
15 apply to the department of economic development.

16 2. An individual may claim an E-85 fuel storage tank tax  
17 credit allowed a partnership, limited liability company, S  
18 corporation, estate, or trust electing to have the income  
19 taxed directly to the individual. The amount claimed by the  
20 individual shall be based upon the pro rata share of the  
21 individual's earnings of the partnership, limited liability  
22 company, S corporation, estate, or trust.

23 3. Any credit in excess of the tax liability shall be  
24 refunded. In lieu of claiming a refund, a taxpayer may elect  
25 to have the overpayment shown on the taxpayer's final,  
26 completed return credited to the tax liability for the  
27 following taxable year.

28 4. The total amount of credits that may be approved for  
29 any calendar year under this section and section 422.33,  
30 subsection 11, shall not exceed one hundred fifty thousand  
31 dollars. Credits shall be approved by the department of  
32 economic development on a first applied for and approved  
33 basis.

34 5. As used in this section:

35 a. "E-85 fuel" means motor vehicle fuel containing at

1 least eighty-five percent ethanol according to standards  
2 established by rules adopted by the department of agriculture  
3 and land stewardship pursuant to chapter 214A.

4 b. "Motor vehicle fuel" means the same as defined in  
5 section 214A.1.

6 c. "Motor vehicle fuel pump" means the same as defined in  
7 section 214.1.

8 d. "Motor vehicle fuel storage tank" means a container  
9 that is a fixture on a site, used to keep an accumulation of  
10 motor vehicle fuel.

11 e. "Site" means the premises where a motor vehicle fuel  
12 storage tank is located, if the tank is used to serve a  
13 connecting motor vehicle fuel pump where motor vehicle fuel is  
14 dispensed to customers on a retail basis.

15 Sec. 2. Section 422.33, Code 2001, is amended by adding  
16 the following new subsection:

17 NEW SUBSECTION. 11. a. The taxes imposed under this  
18 division shall be reduced by an E-85 fuel storage tank tax  
19 credit as provided in this subsection. The amount of credit  
20 equals the cost, incurred during the tax year, necessary to  
21 install, replace, or convert an aboveground motor vehicle fuel  
22 storage tank for use in storing and dispensing E-85 motor  
23 fuel. The amount of the credit shall not exceed seven  
24 thousand five hundred dollars for each motor vehicle fuel  
25 storage tank installed, replaced or converted. The motor  
26 vehicle fuel storage tank shall be located on a site where  
27 motor vehicle fuel is sold at retail by the taxpayer. To  
28 receive the credit the taxpayer shall apply to the department  
29 of economic development.

30 b. Any credit in excess of the tax liability shall be  
31 refunded. In lieu of claiming a refund, a taxpayer may elect  
32 to have the overpayment shown on the taxpayer's final,  
33 completed return credited to the tax liability for the  
34 following taxable year.

35 c. The total amount of credits that may be approved for

1 any calendar year under section 422.12F and this subsection  
2 shall not exceed one hundred fifty thousand dollars. Credits  
3 shall be approved by the department of economic development on  
4 a first applied for and approved basis.

5 d. As used in this subsection:

6 (1) "E-85 fuel" means motor vehicle fuel containing at  
7 least eighty-five percent ethanol according to standards  
8 established by rules adopted by the department of agriculture  
9 and land stewardship pursuant to chapter 214A.

10 (2) "Motor vehicle fuel" means the same as defined in  
11 section 214A.1.

12 (3) "Motor vehicle fuel pump" means the same as defined in  
13 section 214.1.

14 (4) "Motor vehicle fuel storage tank" means a container  
15 that is a fixture on a site, used to keep an accumulation of  
16 motor vehicle fuel.

17 (5) "Site" means the premises where a motor vehicle fuel  
18 storage tank is located, if the tank is used to serve a  
19 connecting motor vehicle fuel pump where motor vehicle fuel is  
20 dispensed to customers on a retail basis.

21 Sec. 3. EFFECTIVE AND APPLICABILITY PROVISION. This Act,  
22 being deemed of immediate importance, takes effect upon  
23 enactment and applies retroactively to January 1, 2001, for  
24 tax years beginning on or after that date.

25 EXPLANATION

26 This bill provides for an income tax credit for an operator  
27 of a retail motor vehicle fuel outlet who installs, replaces,  
28 or converts an aboveground motor vehicle fuel storage tank for  
29 use in storing and dispensing motor vehicle fuel containing at  
30 least 85 percent ethanol (referred to as E-85). The credit  
31 equals the cost necessary for such installation, replacement,  
32 or conversion. The credit shall not exceed \$7,500 for each  
33 tank. Any excess credit is refundable.

34 The bill provides that not more than \$150,000 in credits  
35 shall be approved by the department of economic development in

1 a calendar year.

2 The bill takes effect upon enactment and applies  
3 retroactively to January 1, 2001, for tax years beginning on  
4 or after that date.

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