

FILED FEB 13 '03

SENATE FILE 146

BY KIBBIE, COURTNEY, KREIMAN,
RAGAN, FRAISE, STEWART,
and BEALL

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the sale of gasoline, including ethanol
2 blended gasoline, providing for taxes on gasoline, and
3 providing for an effective date and applicability.

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

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SF 146
WAYS & MEANS

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SF 146
WAYS & MEANS

1 Section 1. Section 214A.1, Code 2003, is amended to read
2 as follows:

3 214A.1 DEFINITIONS.

4 The following definitions shall apply to the various terms
5 used in this chapter:

6 1. "A.S.T.M." means the American society for testing and
7 materials.

8 ~~2. "Motor vehicle fuel" means a substance or combination~~
9 ~~of substances which is intended to be or is capable of being~~
10 ~~used for the purpose of propelling or running by combustion~~
11 ~~any internal combustion engine and is kept for sale or sold~~
12 ~~for that purpose. The products commonly known as kerosene and~~
13 ~~distillate or petroleum products of lower gravity (Baume~~
14 ~~scale), when not used to propel a motor vehicle or for~~
15 ~~compounding or combining with a motor vehicle fuel, are exempt~~
16 ~~from this chapter except as provided in section 214A.2A.~~

17 2. "Ethanol blended gasoline" means gasoline containing at
18 least ten percent alcohol distilled from cereal grains.

19 3. "Motor vehicle" means a self-propelled vehicle that
20 operates using gasoline, including but not limited to any of
21 the following:

- 22 a. An automobile as defined in section 321.1.
- 23 b. A motor truck as defined in section 321.1.
- 24 c. A motor bus as used in section 452A.57.
- 25 d. A motorcycle as defined in section 321.1.
- 26 e. Watercraft as defined in section 462A.2.
- 27 f. An off-road vehicle which is a snowmobile or an all-
28 terrain vehicle as defined in section 321G.1.

29 4. "Motor vehicle fuel" means the same as defined in
30 section 214.1.

31 5. "Motor vehicle fuel pump" or "pump" means a stationary
32 pump located at a service station which is used for measuring
33 and dispensing motor vehicle fuel and which is required to be
34 licensed by the department pursuant to chapter 214.

35 3- 6. "Motor vehicle fuel storage tank" means an

1 aboveground or belowground container that is a fixture, used
2 to keep an accumulation of motor vehicle fuel.

3 ~~4~~ 7. "MTBE" means methyl tertiary butyl ether.

4 ~~5~~ 8. "Oxygenate octane enhancer" means oxygen-containing
5 compounds, including but not limited to alcohols, ethers, or
6 ethanol.

7 ~~6~~ 9. "Retail dealer" ~~shall mean and include any person,~~
8 ~~firm, partnership, association, or corporation who operates,~~
9 ~~maintains, or conducts, either in person, or by any agent,~~
10 ~~employee, or servant, any place of business, filling station,~~
11 ~~pump station, or tank wagon, from which any motor vehicle~~
12 ~~fuel, as defined herein, is sold or offered for sale, at~~
13 ~~retail, or to the final or ultimate consumer.~~ means a person
14 who operates, maintains, or conducts a service station, either
15 in person, or by any agent or an employee.

16 ~~7~~ 10. "Sell" means to sell or to offer for sale.

17 11. "Service station" means the location of a for-profit
18 or nonprofit business in this state where motor vehicle fuel
19 is sold or offered for sale on a retail basis.

20 ~~8~~ 12. "Wholesale dealer" ~~shall mean and include any~~
21 ~~person, firm, partnership, association, or corporation, other~~
22 ~~than retail dealers as defined in subsection 3 of this~~
23 ~~section, who sells, keeps, or holds, for sale, or purchase for~~
24 ~~the purpose of sale within this state, any~~ means a person,
25 other than a retail dealer, who provides motor vehicle fuel
26 for sale within this state.

27 Sec. 2. Section 214A.2, subsection 1, Code 2003, is
28 amended to read as follows:

29 1. a. The secretary department shall adopt rules pursuant
30 to chapter 17A for carrying out this chapter. The rules may
31 include, but are not limited to, specifications relating to
32 motor vehicle fuel or oxygenate octane enhancers, including
33 ethanol blended gasoline.

34 b. In the interest of uniformity, the secretary department
35 shall adopt by reference or otherwise specifications relating

1 to tests and standards for motor vehicle fuel or oxygenate
2 octane enhancers⁷. The specifications shall be based on those
3 established by the American society for testing and materials
4 (A.S.T.M.), unless the secretary department determines those
5 specifications are inconsistent with this chapter or are not
6 appropriate to the conditions which exist in this state.

7 Sec. 3. Section 214A.2, subsection 3, Code 2003, is
8 amended to read as follows:

9 3. a. Gasoline with a mixture of less than ten percent
10 ethanol shall be known as high-emission gasoline.

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

14 ~~b.~~ c. Gasoline with a mixture of more than thirteen
15 percent ethanol, but not more than twenty-five percent
16 ethanol, shall be known as high blend ethanol. For purposes
17 of chapters 323A, 422, and 452A, high blend ethanol shall be
18 treated as conventional blend ethanol.

19 ~~c.~~ d. Gasoline ~~shall not contain~~ with a mixture of eighty-
20 five percent or more than twenty-five percent ethanol shall be
21 known as E-85 ethanol blended gasoline.

22 Sec. 4. Section 214A.2A, Code 2003, is amended to read as
23 follows:

24 214A.2A KEROSENE LABELING AND LOW GRAVITY PETROLEUM.

25 1. Fuel which is sold or is kept, offered, or exposed for
26 sale as kerosene shall be labeled as kerosene. The label
27 shall include the word "kerosene" and a designation as either
28 "K1" or "K2", and shall indicate that the kerosene is in
29 compliance with the standard specification adopted by the
30 A.S.T.M. in specification D-3699 (1982).

31 2. Kerosene and distillate or petroleum products of lower
32 gravity according to the Baume scale, when not used to propel
33 a motor vehicle or compounded or combined with a motor vehicle
34 fuel, are exempt from this chapter.

35 Sec. 5. Section 214A.16, Code 2003, is amended to read as

1 follows:

2 214A.16 NOTICE TO PUBLIC OF BLENDED-FUEL----DECAL TYPES OF
3 MOTOR VEHICLE FUEL SOLD AT A PUMP.

4 1. If motor vehicle fuel containing a renewable fuel is
5 sold from a motor vehicle fuel pump, the pump shall have
6 affixed a decal identifying the name of the renewable fuel.
7 The decal may be different based on the type of renewable fuel
8 used. The design and location of the decal shall be
9 prescribed by rules adopted by the department. A decal
10 identifying a renewable fuel shall be consistent with
11 standards adopted pursuant to section 159A.6. The department
12 may approve an application to place a decal in a special
13 location on a pump or container or use a decal with special
14 lettering or colors, if the decal appears clear and
15 conspicuous to the consumer. The application shall be made in
16 writing pursuant to procedures adopted by the department.

17 2. If high-emission gasoline is sold from a motor vehicle
18 fuel pump, the pump shall have affixed a label. The label
19 shall identify the gasoline as high-emission gasoline and
20 provide notice that its use is restricted under this chapter.
21 The design and location of the decal shall be prescribed by
22 rules adopted by the department.

23 Sec. 6. NEW SECTION. 214A.18A PROHIBITION -- HIGH-
24 EMISSION GASOLINE.

25 1. Except as provided in this section, a retail dealer
26 shall not sell high-emission gasoline, as described in section
27 214A.2, in this state.

28 2. This section shall not apply to a retail dealer that
29 sells gasoline used to operate any of the following:

30 a. An aircraft as defined in section 328.1.

31 b. A motor vehicle used exclusively for motor sports,
32 including on a raceway, if the motor vehicle cannot operate on
33 a highway as provided in chapter 321 or rules adopted by the
34 state department of transportation.

35 c. A motor vehicle operated by using diesel fuel.

1 3. A retail dealer may sell high-emission gasoline if all
2 of the following apply:

3 a. The high-emission gasoline is premium grade unleaded
4 gasoline as provided in section 214A.2.

5 b. The high-emission gasoline is sold exclusively for the
6 operation of one of the following:

7 (1) A motorcycle as defined in section 321.1.

8 (2) An antique vehicle registered under section 321.115.

9 (3) A snowmobile as defined in section 321G.1.

10 (4) An all-terrain vehicle as defined in section 321G.1.

11 (5) Watercraft as defined in section 462A.2.

12 (6) A small motor vehicle such as a lawnmower.

13 c. The retail dealer's service station does not use more
14 than one motor vehicle fuel pump to sell high-emission
15 gasoline at any one time.

16 Sec. 7. Section 422.11C, Code 2003, is amended to read as
17 follows:

18 422.11C ~~ETHANOL-BLENDED~~ E-85 GASOLINE TAX CREDIT.

19 1. As used in this section, unless the context otherwise
20 requires:

21 a. ~~"Ethanol-blended-gasoline" means the same as defined in~~
22 ~~section-452A-2:~~ "E-85 ethanol blended gasoline" means E-85
23 ethanol blended gasoline that meets the specifications
24 required by the department of agriculture and land stewardship
25 pursuant to section 214A.2 and that is dispensed through a
26 motor vehicle fuel pump.

27 b. "Gasoline" means gasoline that meets the specifications
28 required by the department of agriculture and land stewardship
29 pursuant to section 214A.2 and that is dispensed through a
30 metered motor vehicle fuel pump.

31 c. ~~"Metered-pump" means a motor vehicle fuel pump licensed~~
32 ~~by the department of agriculture and land stewardship pursuant~~
33 ~~to chapter-214~~ "Motor vehicle fuel pump", "retail dealer",
34 "sell", and "service station" mean the same as defined in
35 section 214A.1.

1 d.--"Retail-dealer"-means-a-retail-dealer-as-defined-in
2 section-214A.1-who-operates-a-metered-pump-at-a-service
3 station.

4 e.--"Sell"-means-to-sell-on-a-retail-basis.

5 f.--"Service-station"-means-each-geographic-location-in
6 this-state-where-a-retail-dealer-sells-and-dispenses-gasoline
7 on-a-retail-basis.

8 g. d. "Tax credit" means the designated ethanol-blended E-
9 85 gasoline tax credit as provided in this section.

10 2. The taxes imposed under this division, less the credits
11 allowed under sections 422.12 and 422.12B, shall be reduced by
12 an ethanol-blended E-85 gasoline tax credit for each tax year
13 that the taxpayer is eligible to claim the tax credit under
14 this section. In order to be eligible, all of the following
15 must apply:

16 a. The taxpayer is a retail dealer.

17 b.--The-taxpayer who operates at-least one or more service
18 station stations at which more-than-sixty-percent-of-the-total
19 gallons-of E-85 ethanol blended gasoline is sold and dispensed
20 through one-or-more-metered motor vehicle fuel pumps by the
21 taxpayer located at the service stations in the tax year is
22 ethanol-blended-gasoline.

23 c. b. The taxpayer complies with requirements of the
24 department required to administer this section.

25 3. a. The-tax-credit-shall-be-calculated-separately-for
26 each-service-station-site-operated-by-the-taxpayer. The
27 amount of the E-85 ethanol blended gasoline tax credit for
28 each-eligible-service-station is two-and-one-half ten cents
29 multiplied by the total number of gallons of ethanol-blended
30 E-85 ethanol blended gasoline sold and dispensed through all
31 metered motor vehicle fuel pumps located-at-that-service
32 station operated at each of the taxpayer's service stations
33 during the tax year in-excess-of-sixty-percent-of-all-gasoline
34 sold-and-dispensed-through-metered-pumps-at-that-service
35 station-during-the-tax-year.

1 ~~4~~ b. Any credit in excess of the taxpayer's tax liability
2 shall be refunded. In lieu of claiming a refund, the taxpayer
3 may elect to have the overpayment shown on the taxpayer's
4 final, completed return and credited to the tax liability for
5 the following tax year.

6 ~~5~~ 4. An individual may claim the E-85 ethanol blended
7 gasoline tax credit allowed a partnership, limited liability
8 company, S corporation, estate, or trust electing to have the
9 income taxed directly to the individual. The amount of the
10 tax credit claimed by the individual shall be based upon the
11 pro rata share of the individual's earnings of a partnership,
12 limited liability company, S corporation, estate, or trust.

13 Sec. 8. Section 422.33, subsection 11, Code 2003, is
14 amended to read as follows:

15 11. a. As used in this subsection, unless the context
16 otherwise requires:

17 (1) ~~"Ethanol-blended-gasoline", "gasoline", "metered~~
18 "Gasoline" and "E-85 ethanol blended gasoline" mean the same
19 as defined in section 422.11C.

20 (2) "Motor vehicle fuel pump", "retail dealer", "sell",
21 and "service station" mean the same as defined in section
22 422.11C 214A.1.

23 ~~(2)~~ (3) "Tax credit" means the designated E-85 ethanol
24 blended gasoline tax credit as provided in this subsection.

25 b. The taxes imposed under this division shall be reduced
26 by an E-85 ethanol blended gasoline tax credit for each tax
27 year that the taxpayer is eligible to claim the tax credit
28 under this subsection. In order to be eligible, all of the
29 following must apply:

30 (1) The taxpayer is a retail dealer:

31 ~~(2) --The taxpayer who operates at least one or more service~~
32 station stations at which more than sixty percent of the total
33 gallons of E-85 ethanol blended gasoline is sold and dispensed
34 through one or more metered motor vehicle fuel pumps by the
35 taxpayer is ethanol-blended gasoline located at the service

1 stations in the tax year.

2 (3) (2) The taxpayer complies with requirements of the
3 department required to administer this subsection.

4 ~~c. The tax credit shall be calculated separately for each~~
5 ~~service station site operated by the taxpayer.~~ The amount of
6 the tax credit ~~for each eligible service station~~ is two and
7 one-half ten cents multiplied by the total number of gallons
8 of ~~ethanol-blended~~ E-85 ethanol blended gasoline sold and
9 dispensed through all metered motor vehicle fuel pumps located
10 operated at that each of the taxpayer's service station
11 stations during the tax year ~~in excess of sixty percent of all~~
12 ~~gasoline sold and dispensed through metered pumps at that~~
13 ~~service station during the tax year.~~

14 d. Any credit in excess of the taxpayer's tax liability
15 shall be refunded. In lieu of claiming a refund, the taxpayer
16 may elect to have the overpayment shown on the taxpayer's
17 final, completed return and credited to the tax liability for
18 the following tax year.

19 Sec. 9. Section 452A.3, subsections 1 through 4, Code
20 2003, are amended to read as follows:

21 452A.3 LEVY OF EXCISE TAX.

22 ~~1.--Except as otherwise provided in this section and in~~
23 ~~this division, until June 30, 2007, this subsection shall~~
24 ~~apply to the excise tax imposed on each gallon of motor fuel~~
25 ~~used for any purpose for the privilege of operating motor~~
26 ~~vehicles in this state.~~

27 ~~a.--The rate of the excise tax shall be based on the number~~
28 ~~of gallons of ethanol-blended gasoline that is distributed in~~
29 ~~this state as expressed as a percentage of the number of~~
30 ~~gallons of motor fuel distributed in this state, which is~~
31 ~~referred to as the distribution percentage.--The department~~
32 ~~shall determine the percentage basis for each determination~~
33 ~~period beginning January 1 and ending December 31.--The rate~~
34 ~~for the excise tax shall apply for the period beginning July 1~~
35 ~~and ending June 30 following the end of the determination~~

1 period.

2 b.--The rate for the excise tax shall be as follows:

3 (1)--If the distribution percentage is not greater than
4 fifty percent, the rate shall be nineteen cents for ethanol
5 blended gasoline and twenty cents for motor fuel other than
6 ethanol-blended gasoline.

7 (2)--If the distribution percentage is greater than fifty
8 percent but not greater than fifty-five percent, the rate
9 shall be nineteen cents for ethanol-blended gasoline and
10 twenty and one-tenth cents for motor fuel other than ethanol
11 blended gasoline.

12 (3)--If the distribution percentage is greater than fifty-
13 five percent but not greater than sixty percent, the rate
14 shall be nineteen cents for ethanol-blended gasoline and
15 twenty and three-tenths cents for motor fuel other than
16 ethanol-blended gasoline.

17 (4)--If the distribution percentage is greater than sixty
18 percent but not greater than sixty-five percent, the rate
19 shall be nineteen cents for ethanol-blended gasoline and
20 twenty and five-tenths cents for motor fuel other than ethanol
21 blended gasoline.

22 (5)--If the distribution percentage is greater than sixty-
23 five percent but not greater than seventy percent, the rate
24 shall be nineteen cents for ethanol-blended gasoline and
25 twenty and seven-tenths cents for motor fuel other than
26 ethanol-blended gasoline.

27 (6)--If the distribution percentage is greater than seventy
28 percent but not greater than seventy-five percent, the rate
29 shall be nineteen cents for ethanol-blended gasoline and
30 twenty-one cents for motor fuel other than ethanol-blended
31 gasoline.

32 (7)--If the distribution percentage is greater than
33 seventy-five percent but not greater than eighty percent, the
34 rate shall be nineteen and three-tenths cents for ethanol
35 blended gasoline and twenty and eight-tenths cents for motor

1 ~~fuel other than ethanol-blended gasoline.~~

2 ~~(8)---If the distribution percentage is greater than eighty~~
3 ~~percent but not greater than eighty-five percent, the rate~~
4 ~~shall be nineteen and five-tenths cents for ethanol-blended~~
5 ~~gasoline and twenty and seven-tenths cents for motor fuel~~
6 ~~other than ethanol-blended gasoline.~~

7 ~~(9)---If the distribution percentage is greater than eighty-~~
8 ~~five percent but not greater than ninety percent, the rate~~
9 ~~shall be nineteen and seven-tenths cents for ethanol-blended~~
10 ~~gasoline and twenty and four-tenths cents for motor fuel other~~
11 ~~than ethanol-blended gasoline.~~

12 ~~(10)---If the distribution percentage is greater than ninety~~
13 ~~percent but not greater than ninety-five percent, the rate~~
14 ~~shall be nineteen and nine-tenths cents for ethanol-blended~~
15 ~~gasoline and twenty and one-tenth cents for motor fuel other~~
16 ~~than ethanol-blended gasoline.~~

17 ~~(11)---If the distribution percentage is greater than~~
18 ~~ninety-five percent, the rate shall be twenty cents for~~
19 ~~ethanol-blended gasoline and twenty cents for motor fuel other~~
20 ~~than ethanol-blended gasoline.~~

21 1A. 1. Except as otherwise provided in this section and in
22 this division, ~~after June 30, 2007,~~ an excise tax of twenty
23 cents is imposed on each gallon of motor fuel used for any
24 purpose for the privilege of operating motor vehicles in this
25 state. However, special rates shall be imposed as follows:

26 a. Until June 30, 2010, for the operation of motor
27 vehicles in this state, no excise tax is imposed on the use of
28 E-85 ethanol blended gasoline.

29 b. For the operation of motor vehicles in this state, an
30 excise tax of thirty cents per gallon is imposed on the use of
31 high-emission gasoline as provided in section 214A.2.

32 2. c. For the ~~privilege of operating~~ operation of aircraft
33 in this state an excise tax of eight cents per gallon is
34 imposed on the use of ~~all~~ aviation gasoline.

35 3. d. For the ~~privilege of operating~~ operation of motor

1 vehicles or aircraft in this state, there is imposed an excise
2 tax on the use of special fuel in a motor vehicle or aircraft.
3 The tax rate on special fuel for diesel engines of motor
4 vehicles is twenty-two and one-half cents per gallon. The
5 rate of tax on special fuel for aircraft is three cents per
6 gallon. On all other special fuel, unless otherwise specified
7 in this section, the per gallon rate is the same as the motor
8 fuel tax. Indelible dye meeting United States environmental
9 protection agency and internal revenue service regulations
10 must be added to fuel before or upon withdrawal at a terminal
11 or refinery rack for that fuel to be exempt from tax and the
12 dyed fuel may be used only for an exempt purpose.

13 ~~3A.~~ e. For liquefied petroleum gas used as a special fuel,
14 the rate of tax shall be twenty cents per gallon.

15 ~~4.~~ f. For compressed natural gas used as a special fuel,
16 the rate of tax that is equivalent to the motor fuel tax shall
17 be sixteen cents per hundred cubic feet adjusted to a base
18 temperature of sixty degrees Fahrenheit and a pressure of
19 fourteen and seventy-three hundredths pounds per square inch
20 absolute.

21 Sec. 10. EFFECTIVE AND APPLICABILITY DATES.

22 1. a. Except as provided in subsection 2, this Act takes
23 effect on January 1, 2004.

24 b. The provisions of this Act amending sections 422.11C
25 and 422.3, to the extent those provisions make changes in the
26 amounts and methods of assessing and administering the ethanol
27 blended or E-85 gasoline tax credits, take effect July 1,
28 2003, and apply to tax years beginning on or after January 1,
29 2003.

30 2. The department of agriculture and land stewardship and
31 the department of revenue and finance shall perform functions
32 prior to the effective date of this Act that are necessary in
33 order to implement this Act.

34 EXPLANATION

35 BACKGROUND. In 2001 the general assembly enacted House

1 File 716 (2001 Iowa Acts, chapter 123) which promoted the
2 production and consumption of ethanol. That Act created
3 provisions providing a tax credit for retail dealers of
4 gasoline who sell ethanol blended gasoline (motor fuel
5 containing at least 10 percent alcohol). The tax credit
6 applies to both taxpayers filing as individuals under Code
7 section 422.11C and businesses under Code section 422.33.
8 Specifically, the Act provided a tax credit for a retail
9 dealer who operates at least one service station at which more
10 than 60 percent of the total gallons of gasoline sold by the
11 retail dealer is ethanol blended gasoline. The Act also
12 amended provisions in Code section 452A.3 that provide for an
13 excise tax on each gallon of motor fuel sold in the state.
14 Under the Act, until June 30, 2007, the rates for unblended
15 and blended motor fuel are adjusted each year based on the
16 number of gallons of ethanol blended gasoline that are
17 distributed in this state as expressed as a percentage of the
18 total number of gallons of motor fuel distributed in this
19 state.

20 **ETHANOL REQUIREMENTS.** This bill amends Code chapter 214A
21 which provides authority to the department of agriculture and
22 land stewardship to regulate the sale of motor vehicle fuel.
23 The bill amends Code section 214A.2 which provides for
24 different types of gasoline by providing that gasoline with a
25 mixture of less than 10 percent ethanol is to be known as
26 high-emission gasoline. The bill eliminates a prohibition
27 against selling gasoline with a mixture of more than 85
28 percent ethanol and provides that gasoline with a mixture of
29 85 percent or more ethanol is known as E-85 ethanol blended
30 gasoline. The bill prohibits retail dealers of gasoline from
31 selling high-emission gasoline, and provides a number of
32 exceptions. The prohibition does not apply to gasoline used
33 to operate aircraft, motor vehicles involved exclusively in
34 motor sports events, or motor vehicles operating using diesel
35 fuel. The requirement also does not apply to selling gasoline

1 for use in certain vehicles such as antique vehicles,
2 snowmobiles, all-terrain vehicles, watercraft, and small motor
3 vehicles. The bill also provides that all high-emission
4 gasoline must be premium grade unleaded gasoline. The bill
5 prohibits a retail dealer from using more than one pump to
6 dispense such gasoline, and the pump must be labeled notifying
7 the public of its restricted use. Code section 214A.11
8 provides that any person violating the provisions of Code
9 chapter 214A is guilty of a simple misdemeanor. A simple
10 misdemeanor is punishable by confinement for no more than 30
11 days or a fine of at least \$50, but not more than \$500, or by
12 both.

13 TAXES. The bill amends the tax credit provisions in Code
14 sections 422.11C and 422.33 to provide that a retail dealer
15 who sells E-85 ethanol blended gasoline is eligible to receive
16 a tax credit. The amount of the tax credit is 10 cents
17 multiplied by the total number of gallons of E-85 ethanol
18 blended gasoline sold and dispensed through all motor vehicle
19 fuel pumps operated at each of the taxpayer's service stations
20 during the tax year.

21 The bill also amends provisions in Code section 452A.3 that
22 provide for an adjustable excise tax on gallons of gasoline
23 sold in the state based on ethanol blended gasoline purchased
24 in this state. The bill eliminates that formula and
25 establishes a general rate of 20 cents per gallon. The bill
26 creates two exceptions. Until June 30, 2010, no excise tax is
27 imposed on the use of E-85 ethanol blended gasoline. An
28 excise tax of 30 cents per gallon is imposed on the use of
29 high-emission gasoline.

30 EFFECTIVE DATE AND APPLICABILITY. The bill takes effect on
31 January 1, 2004, and the tax credit provisions apply to tax
32 years beginning on or after January 1, 2004.

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