

House File 403 - Introduced

HOUSE FILE _____
BY HEATON

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

A BILL FOR

1 An Act providing for an assessment on ethanol for export, and
2 providing penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1790YH 82
5 da/es/88

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1 1 Section 1. NEW SECTION. 185D.1 DEFINITIONS.
1 2 As used in this chapter, unless the context otherwise
1 3 requires:
1 4 1. "Assessment" means an excise tax on each gallon of
1 5 ethanol produced in this state as provided in section 185D.2.
1 6 2. "Carrier" means a person involved in the movement of
1 7 ethanol from a terminal who is not an owner of the ethanol.
1 8 3. "Department" means the department of revenue created in
1 9 section 421.2.
1 10 4. "Ethanol" means the same as defined in section 214A.1.
1 11 5. "Export" means the delivery of ethanol across a
1 12 boundary of this state by or for the seller or purchaser of
1 13 ethanol, if the ethanol is produced in this state.
1 14 6. "Exporter" means a person who acquires ethanol in this
1 15 state for export to another state.
1 16 7. "Production facility" means a plant in which ethanol is
1 17 processed for any purpose.
1 18 8. "Terminal" means a storage and distribution facility
1 19 for ethanol that is stored on-site or off-site in bulk and
1 20 that is supplied to a carrier, including a vehicle, pipeline,
1 21 or a marine vessel.
1 22 Sec. 2. NEW SECTION. 185D.2 ASSESSMENT == ETHANOL
1 23 EXPORTS.
1 24 An assessment is imposed on ethanol which is processed by a
1 25 production facility located in this state, if the ethanol is
1 26 exported.
1 27 1. The assessment shall be paid by an exporter on each
1 28 gallon of ethanol exported to another state or another nation
1 29 by the exporter or by a person acting on behalf of the
1 30 exporter, as documented in an invoice maintained as part of
1 31 the exporter's records as provided in section 185D.3.
1 32 2. The assessment shall be equal to one cent for each
1 33 invoiced gallon of exported ethanol subject to the assessment.
1 34 3. An exporter shall file regular periodic returns with
1 35 the department in a manner and according to procedures
2 1 required by the department.
2 2 a. The filing period for returns shall be established by
2 3 departmental rule, but shall not be more than once each month
2 4 or less than once every three months, unless excused by the
2 5 department.
2 6 b. The department shall to every extent practicable
2 7 coordinate the filing requirements of this section with the
2 8 requirements for other persons filing returns involving
2 9 ethanol or ethanol blended products, including but not limited
2 10 to exporters licensed pursuant to section 452A.4.
2 11 c. The department may require by rule that returns be
2 12 filed by electronic transmission.
2 13 d. A return shall include a statement of the number of
2 14 invoiced gallons of ethanol exported during the preceding
2 15 filing period as provided in this section. The exporter shall
2 16 pay the department the full amount of assessment due for the
2 17 preceding filing period.
2 18 Sec. 3. NEW SECTION. 185D.3 RECORDS.
2 19 1. A person who is an exporter, production facility,
2 20 terminal, or carrier shall maintain records of all business

2 21 transactions by which the ethanol stocks produced in this
2 22 state are exported, as required by the department. An
2 23 exporter's records shall include all invoices accounting for
2 24 the total number of gallons of ethanol exported for each
2 25 filing period as provided in section 185D.2. A person
2 26 required to maintain records under this section shall maintain
2 27 the records for at least three years. However, the department
2 28 may authorize the earlier disposal of the records upon the
2 29 written request of the person, including after a departmental
2 30 examination or audit.

2 31 2. Upon request by the department a person required to
2 32 maintain records under this section shall make the records
2 33 available to the department for examination or audit at the
2 34 person's office during normal business hours. If the person
2 35 maintains the records outside of this state, the person shall
3 1 make the records available for examination or audit by the
3 2 department at the person's office outside this state without
3 3 expense to the state.

3 4 Sec. 4. NEW SECTION. 185D.4 EXCEPTIONS.

3 5 An exporter who exports less than fifty thousand gallons of
3 6 ethanol per calendar year is not required to pay the
3 7 assessment pursuant to section 185D.2, and the department may
3 8 excuse the person from filing a return or maintaining records
3 9 as otherwise provided in this chapter.

3 10 Sec. 5. NEW SECTION. 185D.5 DEPOSIT OF MONEYS.

3 11 Moneys collected from the assessment imposed pursuant to
3 12 section 185D.2 shall be deposited in the renewable fuel
3 13 infrastructure fund created in section 15G.205.

3 14 Sec. 6. NEW SECTION. 185D.6 OFFENSES == PENALTIES.

3 15 1. A person shall not knowingly do any of the following:

3 16 a. Fail to file a return or submit an assessment as
3 17 required in section 185D.2.

3 18 b. Fail to maintain materially complete and accurate
3 19 records as required pursuant to section 185D.3.

3 20 c. Fail to allow for an examination or inspection of the
3 21 person's records required to be maintained pursuant to section
3 22 185D.3.

3 23 2. A person who violates a provision of this section is
3 24 guilty of a serious misdemeanor. Each day that a continuing
3 25 violation occurs shall be considered a separate offense.

3 26 Sec. 7. NEW SECTION. 185D.7 REPEAL.

3 27 This chapter is repealed on July 1, 2009.

3 28 EXPLANATION

3 29 This bill creates a new Code chapter which imposes an
3 30 assessment on ethanol that is produced in this state for
3 31 export to another state. The provisions of the Code chapter
3 32 are to be administered by the department of revenue. The
3 33 amount of the assessment is 1 cent for each invoiced gallon of
3 34 ethanol exported. The bill establishes procedures for the
3 35 filing of regular periodic returns with the department in a
4 1 manner and according to procedures required by the department.
4 2 The return must include a statement of the number of invoiced
4 3 gallons of ethanol exported during the preceding filing
4 4 period.

4 5 The bill requires that the exporter and other persons who
4 6 may be involved in an export transaction maintain records of
4 7 their transactions. The bill authorizes the department to
4 8 examine and audit those records.

4 9 The bill provides that an exporter who exports less than
4 10 50,000 gallons of ethanol per calendar year is not required to
4 11 pay the assessment, and the department may excuse the person
4 12 from filing a return or maintaining records as otherwise
4 13 provided in the bill.

4 14 The bill provides that moneys collected from the assessment
4 15 must be deposited in the renewable fuel infrastructure fund
4 16 created in Code section 15G.205.

4 17 The bill prohibits an exporter from knowingly failing to
4 18 file a return or submit an assessment, prohibits an exporter
4 19 or other person required to maintain records from failing to
4 20 maintain complete and accurate records, and prohibits such
4 21 persons from preventing the department from examining or
4 22 auditing such records. A person who violates a prohibition is
4 23 guilty of a serious misdemeanor. Each day that a continuing
4 24 violation occurs shall be considered a separate offense. A
4 25 serious misdemeanor is punishable by confinement for no more
4 26 than one year and a fine of at least \$315 but not more than
4 27 \$1,875.

4 28 LSB 1790YH 82

4 29 da:nh/es/88.1