

# House File 919 - Introduced

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 855)  
(SUCCESSOR TO HSB 245)

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

## A BILL FOR

1 An Act providing for excise taxes imposed on the sale of motor  
2 fuel containing ethanol blended gasoline.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2805HZ 82  
5 da/je/5

PAG LIN

1 1 Section 1. Section 452A.3, subsection 1, unnumbered  
1 2 paragraph 1, Code 2007, is amended to read as follows:  
1 3 Except as otherwise provided in this section and in this  
1 4 division, until June 30, ~~2007~~ 2008, this subsection shall  
1 5 apply to the excise tax imposed on each gallon of motor fuel  
1 6 used for any purpose for the privilege of operating motor  
1 7 vehicles in this state.  
1 8 Sec. 2. Section 452A.3, subsection 1A, Code 2007, is  
1 9 amended to read as follows:  
1 10 1A. Except as otherwise provided in this section and in  
1 11 this division, after June 30, ~~2007~~ 2008, an excise tax of  
1 12 twenty cents is imposed on each gallon of motor fuel used for  
1 13 any purpose for the privilege of operating motor vehicles in  
1 14 this state.

### EXPLANATION

1 15 This bill amends provisions in Code section 452A.3 that  
1 16 provide for an excise tax on each gallon of "motor fuel"  
1 17 (i.e., gasoline) sold in the state. Until June 30, 2007, the  
1 18 rates for unblended and blended motor fuel are adjusted each  
1 19 year based on the number of gallons of ethanol blended  
1 20 gasoline that are distributed in this state expressed as a  
1 21 percentage of the total number of gallons of motor fuel  
1 22 distributed in this state. The department of revenue must  
1 23 determine the percentage basis. The rates are set based on  
1 24 that determination effective for 12 months beginning on the  
1 25 following July 1. Under the formula, the general rate for  
1 26 nonblended motor fuel fluctuates between 20 and 21 cents and  
1 27 the special rate for ethanol blended gasoline fluctuates  
1 28 between 19 and 20 cents. After June 30, 2007, the tax rate  
1 29 reverts to a flat 20 cents for motor fuel regardless of the  
1 30 ethanol blend.  
1 31 ethanol blend.

1 32 The bill extends the June 30, 2007, expiration date and  
1 33 flat rate of 20 cents that would have become effective after  
1 34 that date, making the formula effective until June 30, 2008.

1 35 LSB 2805HZ 82

2 1 da:nh/je/5