

# Senate File 2264 - Introduced

SENATE FILE \_\_\_\_\_  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 2166)

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

## A BILL FOR

1 An Act relating to the biodiesel blended fuel tax credit for  
2 retail dealers, and providing for retroactive applicability.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 5826SV 82  
5 da/nh/8

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1 1 Section 1. Section 422.11P, Code Supplement 2007, is  
2 amended by adding the following new subsection:  
3 NEW SUBSECTION. 1A. As used in this section, biodiesel  
4 blended fuel is classified B=xx, where "xx" is the volume  
5 percent of biodiesel in the biodiesel blended fuel, which  
6 meets standards adopted in section 214A.2.  
7 Sec. 2. Section 422.11P, subsections 2 and 3, Code  
8 Supplement 2007, are amended to read as follows:  
9 2. The taxes imposed under this division, less the credits  
10 allowed under section 422.12, shall be reduced by the amount  
11 of the biodiesel blended fuel tax credit for each tax year  
12 that the taxpayer is eligible to claim a tax credit under this  
13 subsection. For a taxpayer  
14 ~~a. In order to be eligible, to claim the tax credit, the~~  
15 ~~taxpayer must be a retail dealer, and all of the following~~  
16 ~~must apply:~~  
17 ~~(1) a. The taxpayer is a retail dealer who sells and~~  
18 ~~dispenses biodiesel blended fuel through a motor fuel pump in~~  
19 ~~the tax year in which the tax credit is claimed.~~  
20 ~~(2) b. Of the total gallons of diesel fuel that the retail~~  
21 ~~dealer sells and dispenses through all motor fuel pumps during~~  
22 ~~the retail dealer's tax year, fifty percent or more is~~  
23 ~~biodiesel blended fuel which meets the requirements of this~~  
24 ~~section.~~  
25 ~~(3) c. The retail dealer complies with requirements of the~~  
26 ~~department established to administer this section.~~  
27 ~~b. The tax credit shall apply to biodiesel blended fuel~~  
28 ~~formulated with a minimum percentage of two percent by volume~~  
29 ~~of biodiesel, if the formulation meets the standards provided~~  
30 ~~in section 214A.2.~~  
31 3. The amount of the tax credit is ~~three cents multiplied~~  
32 calculated by multiplying a designated rate by the total  
33 number of gallons of each class of biodiesel blended fuel sold  
34 and dispensed by the retail dealer through all motor fuel  
35 pumps operated by the retail dealer during the retail dealer's  
2 1 tax year. The schedule of designated rates for each class of  
2 2 biodiesel blended fuel is as follows:  
2 3 a. Three cents for biodiesel blended fuel which is  
2 4 classified as B=2 or higher, but is not as high as B=5.  
2 5 b. Seven and one-half cents for biodiesel blended fuel  
2 6 which is classified as B=5 or higher, but is not as high as  
2 7 B=10.  
2 8 c. Fifteen cents for biodiesel blended fuel which is  
2 9 classified as B=10 or higher, but is not as high as B=20.  
2 10 d. Thirty cents for biodiesel blended fuel which is  
2 11 classified as B=20 or higher.  
2 12 Sec. 3. RETROACTIVE APPLICABILITY DATE. Section 422.11P,  
2 13 as amended in this Act, and section 422.33, subsection 11C, as  
2 14 applied due to the enactment of this Act, shall apply,  
2 15 retroactively to the tax year beginning on or after January 1,  
2 16 2008.

## EXPLANATION

2 17  
2 18 This bill amends provisions relating to the biodiesel

2 19 blended fuel tax credit available to a retail dealer of diesel  
2 20 fuel who sells 50 percent or more biodiesel blended fuel  
2 21 during each tax year until the tax credit expires on January  
2 22 1, 2012. Code section 422.11P provides the tax credit for  
2 23 persons filing individual tax returns and Code section 422.33  
2 24 provides the same tax credit to corporations.  
2 25 Biodiesel blended fuel is classified according to the  
2 26 percentage volume of biodiesel contained in a gallon of diesel  
2 27 fuel (e.g., "B=2" equals 2 percent biodiesel). The tax credit  
2 28 is based on the total number of gallons sold. The bill  
2 29 replaces the rate of 3 cents for each gallon of B=2 or higher  
2 30 sold, with a schedule which increases the rate depending upon  
2 31 the class of biodiesel blended fuel sold (from 3 cents for B=2  
2 32 to 30 cents for B=20 or higher).  
2 33 The bill applies retroactively to the tax year beginning on  
2 34 or after January 1, 2008.  
2 35 LSB 5826SV 82  
3 1 da/nh/8