

Senate File 476 - Introduced

SENATE FILE 476

BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SSB 1174)

A BILL FOR

1 An Act relating to motor fuel, including ethanol and biodiesel
2 used in the formulation of motor fuel, by providing for
3 related infrastructure, tax credits, and appropriations, and
4 including effective date and applicability provisions.

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

DIVISION I

REGULATION OF MOTOR FUEL

1
2
3 Section 1. Section 214A.1, Code 2011, is amended by adding
4 the following new subsections:

5 NEW SUBSECTION. 11A. "*Flexible fuel vehicle*" means a motor
6 vehicle which is powered by an engine capable of operating
7 using E-85 gasoline.

8 NEW SUBSECTION. 16A. "*Nonblended gasoline*" means gasoline
9 other than ethanol blended gasoline.

10 Sec. 2. Section 214A.2, subsection 4, paragraph b, Code
11 2011, is amended by adding the following new subparagraph:

12 NEW SUBPARAGRAPH. (4) Biodiesel blended fuel classified as
13 from B-6 through B-20 must conform to A.S.T.M. international
14 specification D7467 or a successor A.S.T.M. international
15 specification as established by rules adopted by the
16 department.

17 Sec. 3. Section 214A.16, subsection 1, Code 2011, is amended
18 by striking the subsection and inserting in lieu thereof the
19 following:

20 1. A motor fuel pump shall be affixed with a decal
21 identifying the motor fuel that it dispenses, as required in
22 this subsection.

23 a. If the motor fuel is gasoline, the following shall apply:

24 (1) For gasoline not blended with ethanol, the decal shall
25 identify it as nonblended gasoline.

26 (2) For gasoline classified as higher than standard ethanol
27 blended gasoline pursuant to section 214A.2, the decal shall
28 identify it as being for use in flexible fuel vehicles only.

29 b. If the motor fuel is biodiesel fuel, the decal shall
30 identify the biodiesel fuel as provided in 16 C.F.R. pt. 306.

31 Sec. 4. Section 422.11N, subsection 1, paragraph a, Code
32 2011, is amended to read as follows:

33 a. "*E-85 gasoline*", "*ethanol*", "*ethanol blended gasoline*",
34 "*gasoline*", "*flexible fuel vehicle*", and "*retail dealer*" mean the
35 same as defined in section 214A.1.

1 Sec. 5. Section 422.11N, subsection 1, paragraph b, Code
2 2011, is amended by striking the paragraph.

3 Sec. 6. Section 452A.2, subsection 18, Code 2011, is amended
4 to read as follows:

5 18. "*Flexible fuel vehicle*" means ~~a motor vehicle as defined~~
6 ~~in section 321M.1 which is powered by an engine capable of~~
7 ~~operating using E-85 gasoline~~ the same as defined in section
8 214A.1.

9 DIVISION II

10 LIMITING LIABILITY OF

11 RETAIL DEALERS

12 Sec. 7. NEW SECTION. 214A.20 Retail dealers — limitation
13 on liability.

14 1. A retail dealer is not liable for damages caused to a
15 motor by the use of incompatible motor fuel dispensed at the
16 retail dealer's retail motor fuel site, if all of the following
17 applies:

18 a. The incompatible motor fuel complies with the
19 specifications for a type of motor fuel as provided in section
20 214A.2.

21 b. The incompatible motor fuel is selected by a person other
22 than the retail dealer, including an employee or agent of the
23 retail dealer.

24 c. The incompatible motor fuel is dispensed from a motor
25 fuel pump that correctly labels the type of fuel dispensed.

26 2. For purposes of this section, a motor fuel is
27 incompatible with a motor according to the manufacturer of the
28 motor.

29 DIVISION III

30 INFRASTRUCTURE

31 Sec. 8. Section 15G.205, subsection 4, paragraph c, Code
32 2011, is amended to read as follows:

33 c. Notwithstanding section 8.33, unencumbered and
34 unobligated moneys remaining in the infrastructure fund at the
35 close of each fiscal year shall not revert but shall remain

1 available in the infrastructure fund for expenditure for the
2 same purposes ~~until the end of the fiscal year that begins July~~
3 ~~1, 2011, at which time the unencumbered and unobligated moneys~~
4 ~~remaining shall revert to the funds from which appropriated~~
5 provided in this section.

6 Sec. 9. NEW SECTION. 15G.207 Motor fuel blender pump
7 installation project.

8 1. A motor fuel blender pump installation project is
9 established in the department under the direction of the
10 renewable fuel infrastructure board created pursuant to section
11 15G.202.

12 2. Notwithstanding sections 15G.203, 15G.204, and 15G.205,
13 or any other provision to the contrary, the department of
14 economic development shall support the project by using all
15 available moneys deposited in the renewable fuel infrastructure
16 fund to award financial incentives to retail dealers as
17 provided in this section. All moneys in the fund which are not
18 otherwise obligated or unencumbered on the effective date of
19 this Act are available for the purposes of this section.

20 3. The project shall be administered by the department and
21 moneys shall be awarded by the board in the same manner as the
22 renewable fuel infrastructure program for retail motor fuel
23 sites as provided in section 15G.203.

24 4. The purpose of the project is to improve retail motor
25 fuel sites located in this state by installing motor fuel
26 blender pumps capable of dispensing different classifications
27 of ethanol blended gasoline or capable of dispensing different
28 classifications of biodiesel blended fuel. The improvements
29 may include installing, replacing, or converting related
30 infrastructure used to store, blend, or dispense ethanol
31 blended fuel or biodiesel blended fuel from a motor fuel
32 blender pump. A motor fuel blender pump dispensing ethanol
33 blended gasoline under the project must dispense different
34 classifications of ethanol blended gasoline, including E-15
35 gasoline to be dispensed at all times that the blender pump is

1 operating. Nothing in this section prevents the installation
2 of a blender pump which is also capable of dispensing E-85
3 gasoline.

4 5. The renewable fuel infrastructure board shall submit a
5 report to the general assembly not later than January 1 of each
6 year of the project, including findings regarding the progress
7 of the project.

8 6. This section is repealed on July 1, 2014.

9 Sec. 10. EFFECTIVE UPON ENACTMENT. This division of this
10 Act, being deemed of immediate importance, takes effect upon
11 enactment.

12 DIVISION IV

13 ETHANOL BLENDED GASOLINE

14 TAX CREDIT

15 Sec. 11. Section 2.48, subsection 3, paragraph d,
16 subparagraph (5), Code 2011, is amended to read as follows:

17 (5) The ~~ethanol~~ E-15 promotion tax credits available under
18 section 422.11N.

19 Sec. 12. Section 422.11N, subsection 1, paragraph f, Code
20 2011, is amended to read as follows:

21 *f.* "*Tax credit*" means the ~~ethanol~~ E-15 promotion tax credit
22 as provided in this section.

23 Sec. 13. Section 422.11N, subsection 3, Code 2011, is
24 amended to read as follows:

25 3. The taxes imposed under this division, less the tax
26 credits allowed under section 422.12, shall be reduced by an
27 ~~ethanol~~ E-15 gasoline promotion tax credit for each tax year
28 that the taxpayer is eligible to claim the tax credit under
29 this section. In order to be eligible, all of the following
30 must apply:

31 *a.* The taxpayer is a retail dealer who sells and dispenses
32 ethanol blended gasoline designated as E-15 or higher pursuant
33 to section 214A.2 through a motor fuel pump in the tax year in
34 which the tax credit is claimed.

35 *b.* The retail dealer complies with requirements of the

1 department to administer this section.

2 Sec. 14. Section 422.11N, subsection 4, paragraph d, Code
3 2011, is amended by striking the paragraph.

4 Sec. 15. Section 422.11N, subsection 5, paragraph a,
5 unnumbered paragraph 1, Code 2011, is amended to read as
6 follows:

7 For a retail dealer whose tax year is the same as a
8 determination period beginning on January 1 and ending on
9 December 31, the retail dealer's tax credit is calculated by
10 multiplying the retail dealer's total ethanol gallonage from
11 ethanol blended gasoline designated as E-15 or higher, pursuant
12 to section 214A.2, by a tax credit rate, which may be adjusted
13 based on the retail dealer's biofuel threshold percentage
14 disparity. The tax credit rate is as follows:

15 Sec. 16. Section 422.11N, subsection 5, paragraph a,
16 subparagraph (1), Code 2011, is amended to read as follows:

17 (1) For any tax year in which the retail dealer has attained
18 a biofuel threshold percentage for the determination period,
19 the tax credit rate is ~~six~~ sixteen and one-half cents.

20 Sec. 17. Section 422.11N, subsection 5, paragraph a,
21 subparagraph (2), subparagraph divisions (a) and (b), Code
22 2011, are amended to read as follows:

23 (a) If the retail dealer's biofuel threshold percentage
24 disparity equals two percent or less, the tax credit rate is
25 ~~four~~ fourteen and one-half cents.

26 (b) If the retail dealer's biofuel threshold percentage
27 disparity equals more than two percent but not more than four
28 percent, the tax credit rate is ~~two~~ twelve and one-half cents.

29 Sec. 18. Section 422.11N, subsection 6, Code 2011, is
30 amended to read as follows:

31 6. A retail dealer is eligible to claim an ~~ethanol~~ E-15
32 gasoline promotion tax credit as provided in this section even
33 though the retail dealer claims an E-85 gasoline promotion tax
34 credit pursuant to section 422.110 for the same tax year and
35 for the same ethanol gallonage.

1 Sec. 19. Section 422.11O, subsection 5, Code 2011, is
2 amended to read as follows:

3 5. A retail dealer is eligible to claim an E-85 gasoline
4 promotion tax credit as provided in this section even though
5 the retail dealer claims an ~~ethanol~~ E-15 gasoline promotion tax
6 credit pursuant to section 422.11N for the same tax year for
7 the same ethanol gallonage.

8 Sec. 20. Section 422.33, subsection 11A, unnumbered
9 paragraph 1, Code 2011, is amended to read as follows:

10 The taxes imposed under this division shall be reduced by
11 an ~~ethanol~~ E-15 promotion tax credit for each tax year that
12 the taxpayer is eligible to claim the tax credit under this
13 subsection.

14 Sec. 21. Section 422.33, subsection 11A, paragraphs a and b,
15 Code 2011, are amended to read as follows:

16 a. The taxpayer shall claim the tax credit in the same
17 manner as provided in section 422.11N. The taxpayer may claim
18 the tax credit according to the same requirements, for the same
19 amount, and calculated in the same manner, as provided for the
20 ~~ethanol~~ E-15 promotion tax credit pursuant to section 422.11N.

21 b. Any ~~ethanol~~ E-15 promotion tax credit which is in excess
22 of the taxpayer's tax liability shall be refunded or may be
23 shown on the taxpayer's final, completed return credited to the
24 tax liability for the following tax year in the same manner as
25 provided in section 422.11N.

26 Sec. 22. Section 452A.31, subsection 2, paragraph a,
27 subparagraph (1), Code 2011, is amended to read as follows:

28 (1) The total ethanol blended gasoline gallonage which
29 is the retail dealer's total number of gallons of ethanol
30 blended gasoline and which includes any subclassification
31 required by the department. However, the total ethanol blended
32 gasoline gallonage must at least include all of the following
33 subclassifications:

34 (a) The total ~~E-xx~~ E-10 gasoline gallonage which is the
35 total number of gallons of ethanol blended gasoline ~~other than~~

1 ~~E-85 gasoline~~ designated as E-9 or E-10.

2 (b) The total E-15 gasoline gallonage which is the total
3 number of gallons of ethanol blended gasoline designated as
4 E-11 to E-15.

5 (c) The total ~~E-85 flexible fuel~~ gasoline gallonage which
6 is the total number of gallons of ethanol blended gasoline
7 designated as E-16 to E-85 gasoline.

8 Sec. 23. Section 452A.31, subsection 4, paragraph a,
9 subparagraph (1), Code 2011, is amended by striking the
10 subparagraph and inserting in lieu thereof the following:

11 (1) The aggregate ethanol blended gasoline gallonage which
12 is the aggregate total number of gallons of ethanol blended
13 gasoline and which includes the aggregate ethanol blended
14 gasoline gallonage for each subclassification provided for in
15 subsection 2.

16 Sec. 24. NEW SECTION. 452A.34 Classification of ethanol
17 blended fuel.

18 For purposes of this division, ethanol blended fuel shall be
19 classified in the same manner as provided in section 214A.2.

20 Sec. 25. 2006 Iowa Acts, chapter 1142, section 49,
21 subsection 2, as amended by 2006 Iowa Acts, chapter 1175,
22 section 17, is amended to read as follows:

23 2. For a retail dealer who may claim an ~~ethanol~~ E-15
24 promotion tax credit under section 422.11N or 422.33,
25 subsection 11A, as enacted in this Act and amended in
26 subsequent Acts, in calendar year 2020 and whose tax year ends
27 prior to December 31, 2020, the retail dealer may continue to
28 claim the tax credit in the retail dealer's following tax year.
29 In that case, the tax credit shall be calculated in the same
30 manner as provided in section 422.11N or 422.33, subsection
31 11A, as enacted in this Act and amended in subsequent Acts,
32 for the remaining period beginning on the first day of the
33 retail dealer's new tax year until December 31, 2020. For
34 that remaining period, the tax credit shall be calculated in
35 the same manner as a retail dealer whose tax year began on the

1 previous January 1 and who is calculating the tax credit on
2 December 31, 2020.

3 Sec. 26. EFFECTIVE DATE. This division of this Act takes
4 effect January 1, 2012.

5 Sec. 27. APPLICABILITY. The sections of this division
6 of this Act amending section 422.11N and section 422.33,
7 subsection 11A, and the section of this division of this Act
8 amending 2006 Iowa Acts, chapter 1142, section 49, subsection
9 2, as amended by 2006 Iowa Acts, chapter 1175, section 17,
10 apply to tax years beginning on or after January 1, 2012.

11 DIVISION V

12 TAXES IMPOSED UPON BIODIESEL FUEL

13 Sec. 28. Section 452A.2, Code 2011, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 9A. "*Diesel fuel*" means the same as defined
16 in section 214A.1.

17 Sec. 29. Section 452A.2, subsection 29, Code 2011, is
18 amended to read as follows:

19 29. "*Nonterminal storage facility*" means a facility where
20 motor fuel or special fuel, other than liquefied petroleum
21 gas, is stored that is not supplied by a pipeline or a marine
22 vessel. "*Nonterminal storage facility*" includes a facility that
23 manufactures products such as ~~ethanol as defined in section~~
24 ~~214A.1~~, biofuel, blend stocks, or additives which may be used
25 as motor fuel or special fuel, other than liquefied petroleum
26 gas, for operating motor vehicles or aircraft.

27 Sec. 30. Section 452A.3, subsection 3, Code 2011, is amended
28 to read as follows:

29 3. a. For the privilege of operating motor vehicles or
30 aircraft in this state, there is imposed an excise tax on the
31 use of special fuel in a motor vehicle or aircraft.

32 (1) The tax rate on special fuel for diesel engines of motor
33 vehicles is twenty-two and one-half cents per gallon. The tax
34 rate on biodiesel for diesel engines of motor vehicles shall
35 be determined on a volume basis with the gross metered gallons

1 adjusted to sixty degrees Fahrenheit.

2 (2) The rate of tax on special fuel for aircraft is three
3 cents per gallon.

4 (3) On all other special fuel, unless otherwise specified in
5 this section, the per gallon rate is the same as the motor fuel
6 tax.

7 b. Indelible dye meeting United States environmental
8 protection agency and internal revenue service regulations
9 must be added to special fuel before or upon withdrawal at a
10 terminal or refinery rack for that special fuel to be exempt
11 from tax and the dyed special fuel may be used only for an
12 exempt purpose.

13 Sec. 31. Section 452A.17, subsection 1, paragraph a, Code
14 2011, is amended by adding the following new subparagraph:

15 NEW SUBPARAGRAPH. (11) Diesel fuel used by a nonterminal
16 storage facility to blend with biodiesel to produce biodiesel
17 blended fuel, if the biodiesel blended fuel is distributed
18 to a blender licensed pursuant to section 452A.6 who is also
19 required to pay the excise tax on the same diesel fuel.

20 Sec. 32. Section 452A.86, Code 2011, is amended to read as
21 follows:

22 **452A.86 Method of determining gallonage.**

23 1. The exclusive method of determining gallonage of
24 any purchases or sales of motor fuel, undyed special fuel,
25 compressed natural gas, or liquefied petroleum gas as defined
26 in this chapter and distillate fuels shall be on a gross volume
27 basis. A temperature-adjusted or other method shall not be
28 used, except as it applies to biodiesel, liquefied petroleum
29 gas, and or the sale or exchange of petroleum products between
30 petroleum refiners. All invoices, bills of lading, or other
31 records of sale or purchase and all returns or records required
32 to be made, kept, and maintained by a supplier, restrictive
33 supplier, importer, exporter, blender, or compressed natural
34 gas or liquefied petroleum gas dealer or user shall be made,
35 kept, and maintained on the gross volume basis.

1 2. For purposes of this section, "*distillate fuels*" means
2 any fuel oil, gas oil, topped crude oil, or other petroleum
3 oils derived by refining or processing crude oil or unfinished
4 oils which have a boiling range at atmospheric pressure which
5 falls completely or in part between five hundred fifty and
6 twelve hundred degrees Fahrenheit.

7 DIVISION VI

8 INCOME TAX CREDITS FOR RETAIL

9 DEALERS OF RENEWABLE FUEL

10 Sec. 33. Section 422.11N, subsection 3, Code 2011, is
11 amended by adding the following new paragraph:

12 NEW PARAGRAPH. *c.* The department has received the retail
13 dealer's motor fuel gallonage report for the immediately prior
14 determination period beginning January 1 and ending December
15 31, as required in section 452A.33. The report must have been
16 received by the department on or before the report's due date.
17 If the retail dealer submits the report on a quarterly or
18 monthly basis as provided in that section, the department must
19 have received all such reports by the same due date.

20 Sec. 34. Section 422.11O, subsection 2, Code 2011, is
21 amended by adding the following new paragraph:

22 NEW PARAGRAPH. *c.* The department has received the retail
23 dealer's motor fuel gallonage report for the immediately prior
24 determination period beginning January 1 and ending December
25 31, as required in section 452A.33. The report must have been
26 received by the department on or before the report's due date.
27 If the retail dealer submits the report on a quarterly or
28 monthly basis as provided in that section, the department must
29 have received all such reports by the same due date.

30 Sec. 35. Section 422.11P, subsection 2, paragraph a, Code
31 2011, is amended by adding the following new subparagraph:

32 NEW SUBPARAGRAPH. (4) The department has received the
33 retail dealer's motor fuel gallonage report for the immediately
34 prior determination period beginning January 1 and ending
35 December 31, as required in section 452A.33. The report

1 must have been received by the department on or before the
2 report's due date. If the retail dealer submits the report on
3 a quarterly or monthly basis as provided in that section, the
4 department must have received all such reports by the same due
5 date.

6 Sec. 36. Section 452A.33, subsection 1, paragraph a,
7 unnumbered paragraph 1, Code 2011, is amended to read as
8 follows:

9 Each retail dealer shall submit a motor fuel gallonage
10 report, detailing its total motor fuel gallonage for a
11 determination period as follows:

12 EXPLANATION

13 GENERALLY. This bill relates to motor fuel regulated by the
14 department of agriculture and land stewardship (DALs) pursuant
15 to Code chapter 214A and classified according to the percentage
16 of biofuel blended into the motor fuel (e.g., E-10 means a
17 gallon of gasoline containing 10 percent ethanol and B-5 means
18 a gallon of diesel fuel containing 5 percent biodiesel). Both
19 ethanol blended gasoline and biodiesel blended fuel are subject
20 to promotional programs and tax incentives.

21 GENERAL — REGULATION OF MOTOR FUEL. The bill amends
22 several provisions in Code chapter 214A, which regulates the
23 sale of motor fuel by DALs. The bill establishes a standard
24 for biodiesel blended fuel based on A.S.T.M. international
25 specifications. It also rewrites a provision that requires
26 that a motor fuel pump be affixed with a decal (label)
27 informing the traveling public whether it is dispensing a motor
28 fuel containing ethanol or biodiesel. It retains the label
29 requirement for a motor fuel pump dispensing E-85 gasoline
30 for flexible fuel vehicles or biodiesel blended fuel for
31 diesel-powered motor vehicles, removes a provision requiring a
32 label for a motor fuel pump dispensing other types of ethanol
33 blended fuel (standard ethanol blended gasoline), and requires
34 a label for a motor fuel pump dispensing gasoline without an
35 ethanol component (nonblended gasoline).

1 LIMITING LIABILITY OF RETAIL DEALERS. The bill amends
2 Code chapter 214A, which provides for motor fuel, including
3 gasoline or ethanol blended gasoline, E-85 gasoline, diesel
4 fuel, and biodiesel fuel. The bill provides that a retail
5 dealer is not liable for damages caused to a motor by the use
6 of an incompatible motor fuel (e.g., the use of E-85 gasoline
7 in a conventional gasoline-powered motor). The bar against
8 liability depends upon the satisfaction of certain conditions:
9 (1) the motor fuel must meet legal specifications, (2) the
10 retail dealer cannot have selected it for use in the motor, and
11 (3) the dispensing pump must be correctly labeled.

12 INFRASTRUCTURE. The bill suspends the operation of two
13 current programs providing incentives for the installation of
14 renewable fuel infrastructure. The programs are supported from
15 moneys deposited in the renewable fuel infrastructure fund.
16 The bill provides that the department of economic development
17 and the renewable fuel infrastructure board must use all
18 available moneys deposited in the fund to award financial
19 incentives to retail dealers participating in a project to
20 install infrastructure associated with dispensing renewable
21 fuel from motor fuel blender pumps. The board must report to
22 the general assembly regarding the project. The project is
23 eliminated on July 1, 2014.

24 The bill eliminates a provision which provides that moneys
25 in the fund revert at the end of the fiscal year beginning July
26 1, 2011.

27 This division of the bill takes effect upon enactment.

28 ETHANOL BLENDED GASOLINE TAX CREDIT AND REPORTING. The bill
29 amends the ethanol promotion tax credit which is calculated
30 separately for each retail motor fuel site from which the
31 retail dealer sells and dispenses ethanol blended gasoline
32 (Code sections 422.11N and 422.33, subsection 11A). The tax
33 credit rate depends upon the number of gallons of ethanol
34 blended gasoline and biodiesel blended fuel that a retail
35 dealer sold throughout a calendar year (referred to as a

1 determination period). The amount of the tax credit depends
2 upon whether the retail dealer met that biofuel threshold.
3 This bill renames the tax credit as the E-15 promotion tax
4 credit, and provides that the tax credit applies only to those
5 gallons of ethanol that are part of ethanol blended gasoline
6 designated as E-15 or higher. It also allows a retail dealer
7 filing a tax return on a noncalendar year basis to claim the
8 tax credit. The tax credit is eliminated on January 1, 2021.

9 The bill also amends reporting requirements by retail
10 dealers and the department of revenue. A retail dealer's
11 report calculates the total motor fuel gallonage, and further
12 divides that number based on a number of classifications
13 depending upon the type of motor fuel sold, including ethanol
14 blended gasoline gallonage. The department then calculates
15 the aggregate total for the motor fuel gallonage including by
16 classification for the determination period. The bill revises
17 the reporting classifications for ethanol blended gasoline,
18 by including subclassifications for E-9 and E-10, E-11 to
19 E-15, and E-16 to E-85. It provides that the department may
20 establish additional subclassifications.

21 This division of the bill is effective on January 1, 2012,
22 and tax credit provisions are applicable to the tax years
23 beginning on or after that date.

24 EXCISE TAXES IMPOSED UPON BIODIESEL FUEL. The bill amends
25 provisions in Code chapter 452A which relate to an excise tax
26 imposed upon biodiesel fuel. Generally, an excise tax is
27 imposed on each gallon of motor fuel, including biodiesel fuel
28 (Code section 452A.3) based on a gross volume basis without
29 adjustment (Code section 452A.86). The bill does not directly
30 change the excise tax imposed on biodiesel fuel, but changes
31 how the gallonage is calculated at the meter, by requiring that
32 the excise tax be assessed after adjusting the biodiesel's
33 temperature to 60 degrees Fahrenheit.

34 The bill also provides for a refund of excise taxes paid
35 on diesel fuel by nonterminal storage facilities. A person

1 who manufactures a biofuel, including ethanol or biodiesel for
2 distribution, is classified as a nonterminal storage facility
3 (Code section 452A.2). A nonterminal storage facility is
4 required to pay an excise tax on diesel fuel used in producing
5 biodiesel blended fuel. The bill provides that the nonterminal
6 storage facility is entitled to a refund of the excise tax paid
7 on diesel fuel if the biodiesel blended fuel is distributed
8 to a licensed blender (Code section 452A.6) who must pay the
9 excise tax on that same diesel fuel.

10 INCOME TAX CREDITS FOR RETAIL DEALERS OF MOTOR FUEL WHICH
11 CONTAINS ETHANOL OR BIODIESEL. Code chapter 422 establishes a
12 tax credit for the promotion of ethanol blended gasoline (Code
13 sections 422.11N and 422.33(11A)), E-85 gasoline (Code sections
14 422.11O and 422.33(11B)), and biodiesel blended motor fuel
15 (Code sections 422.11P and 422.33(11C)). The bill provides
16 that in order for a retail dealer to claim a tax credit, it must
17 comply with an existing statute that requires a retail dealer
18 submit a motor fuel gallonage report (Code section 452A.33) for
19 its latest determination period (calendar year). The report
20 includes the retail dealer's total gasoline gallonage, ethanol
21 gallonage, ethanol blended gasoline gallonage, E-85 gasoline
22 gallonage, diesel gallonage, and biodiesel gallonage for each
23 motor fuel site or other permanent or temporary location owned
24 or operated by the retail dealer.