

**House File 1053 - Introduced**

HOUSE FILE 1053  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 237)

**A BILL FOR**

1 An Act relating to fuel taxation by extending tax credits  
2 for E-15 gasoline, and modifying the sales tax refund for  
3 biodiesel production.

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

unofficial

1 Section 1. Section 422.110, subsection 5, paragraph b, Code  
2 2025, is amended to read as follows:

3 b. This subsection is repealed January 1, ~~2026~~ 2029.

4 Sec. 2. Section 422.11Y, subsection 4, paragraph b, Code  
5 2025, is amended to read as follows:

6 b. The designated rate of the tax credit is nine cents,  
7 except that for calendar year 2028 the designated rate is four  
8 and one-half cents.

9 Sec. 3. Section 422.11Y, subsections 7 and 9, Code 2025, are  
10 amended to read as follows:

11 7. Any credit in excess of the retail dealer's tax liability  
12 shall be refunded, except any credit in excess of the retail  
13 dealer's tax liability for calendar year 2028 shall not be  
14 refunded. In lieu of claiming a refund, if available, the retail  
15 dealer may elect to have the overpayment shown on the retail  
16 dealer's final, completed return credited to the tax liability  
17 for the following tax year.

18 9. This section is repealed January 1, ~~2026~~ 2029.

19 Sec. 4. Section 422.33, subsection 11D, paragraphs b and c,  
20 Code 2025, are amended to read as follows:

21 b. Any E-15 plus gasoline promotion tax credit which is in  
22 excess of the taxpayer's tax liability shall be refunded as  
23 provided in section 422.11Y, or may be shown on the taxpayer's  
24 final, completed return credited to the tax liability for the  
25 following tax year in the same manner as provided in section  
26 422.11Y.

27 c. This subsection is repealed January 1, ~~2026~~ 2029.

28 Sec. 5. Section 423.4, subsection 9, paragraph b, Code 2025,  
29 is amended to read as follows:

30 b. The amount of the refund shall be calculated by  
31 multiplying a designated rate by the total number of gallons of  
32 biodiesel produced by the biodiesel producer in this state during  
33 each quarter of a calendar year. The designated rate shall be  
34 four and one-half cents.

35 Sec. 6. 2011 Iowa Acts, chapter 113, section 37, as amended

1 by 2016 Iowa Acts, chapter 1106, section 3, and 2022 Iowa Acts,  
2 chapter 1067, section 57, is amended to read as follows:

3 SEC. 37. TAX CREDIT AVAILABILITY. For a retail dealer who  
4 may claim an E-15 plus gasoline promotion tax credit under  
5 section 422.11Y or 422.33, subsection 11D, as enacted in this  
6 Act and amended in subsequent Acts, in calendar year ~~2025~~ 2028,  
7 and whose tax year ends prior to December 31, ~~2025~~ 2028, the  
8 retail dealer may continue to claim the tax credit in the retail  
9 dealer's following tax year. In that case, the tax credit shall  
10 be calculated in the same manner as provided in section 422.11Y  
11 or 422.33, subsection 11D, as enacted in this Act and amended  
12 in subsequent Acts, for the remaining period beginning on the  
13 first day of the retail dealer's new tax year until December 31,  
14 ~~2025~~ 2028. For that remaining period, the tax credit shall be  
15 calculated in the same manner as a retail dealer whose tax year  
16 began on the previous January 1 and who is calculating the tax  
17 credit on December 31, ~~2025~~ 2028.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with  
20 the explanation's substance by the members of the general assembly.

21 This bill relates to fuel taxation by extending the tax  
22 credit for E-15 gasoline and modifying the sales tax refund for  
23 biodiesel production.

24 The bill modifies the E-15 gasoline tax credit by extending  
25 the repeal of the credit from January 1, 2026, to January 1,  
26 2029. The bill reduces the tax credit from 9 cents per gallon  
27 to 4.5 cents per gallon in calendar year 2028, and makes the tax  
28 credit nonrefundable in calendar year 2028.

29 The bill amends the Iowa Acts to ensure the availability of  
30 the E-15 gasoline tax credit for those retail dealers whose tax  
31 year does not align with the repeal date of the E-15 gasoline tax  
32 credit repeal date in the bill.

33 The bill increases the refund available to the producers of  
34 biodiesel from 4 cents per gallon produced to 4.5 cents per  
35 gallon produced.