

Senate Study Bill 3025 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON ZUMBACH)

A BILL FOR

1 An Act relating to the excise tax on certain ethanol blended
2 gasoline purchased exclusively for use in an implement used in
3 agricultural production.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **452A.16 Exempt fuel — agricultural**
2 **implements.**

3 The excise tax under section 452A.3 shall not be imposed or
4 collected on ethanol blended gasoline formulated with more than
5 eighty-five percent by volume of ethanol when purchased at a
6 terminal or refinery rack exclusively for use in an implement
7 used in agricultural production.

8 **EXPLANATION**

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

11 Under current law, the excise tax on each gallon of ethanol
12 blended gasoline classified as E-15 or higher is based on
13 the distribution percentage of those fuels compared to the
14 distribution of all nonaviation gasoline motor fuel, and ranges
15 from 24 cents to 30 cents. For motor fuel and undyed special
16 fuel used for a variety of exempt purposes under Code section
17 452A.17, including in implements used in agricultural production,
18 a person who pays the excise tax may claim a refund from the Iowa
19 department of revenue.

20 This bill exempts ethanol blended gasoline formulated with
21 more than 85 percent by volume of ethanol from imposition
22 and collection of the excise tax when purchased at a terminal
23 or refinery rack exclusively for use in an implement used in
24 agricultural production.