

CHAPTER 1106

RENEWABLE FUEL TAX CREDITS AND REFUNDS

S.F. 2309

AN ACT providing for tax credits and refunds relating to renewable fuels including their component biofuels and including effective date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

INCOME TAX — E-15 PLUS GASOLINE PROMOTION TAX CREDIT

Section 1. Section 422.11Y, subsection 9, Code 2016, is amended to read as follows:

9. [This section](#) is repealed on January 1, ~~2018~~ 2025.

Sec. 2. Section 422.33, subsection 11D, paragraph c, Code 2016, is amended to read as follows:

c. [This subsection](#) is repealed on January 1, ~~2018~~ 2025.

Sec. 3. 2011 Iowa Acts, chapter 113, section 37, is amended to read as follows:

SEC. 37. TAX CREDIT AVAILABILITY. For a retail dealer who may claim an E-15 plus gasoline promotion tax credit under [section 422.11Y](#) or [422.33, subsection 11D](#), as enacted in this Act and amended in subsequent Acts, in calendar year ~~2017~~ 2024, and whose tax year ends prior to December 31, ~~2017~~ 2024, the retail dealer may continue to claim the tax credit in the retail dealer's following tax year. In that case, the tax credit shall be calculated in the same manner as provided in [section 422.11Y](#) or [422.33, subsection 11D](#), as enacted in this Act and amended in subsequent Acts, for the remaining period beginning on the first day of the retail dealer's new tax year until December 31, ~~2017~~ 2024. For that remaining period, the tax credit shall be calculated in the same manner as a retail dealer whose tax year began on the previous January 1 and who is calculating the tax credit on December 31, ~~2017~~ 2024.

DIVISION II

INCOME TAX — E-85 GASOLINE PROMOTION TAX CREDIT

Sec. 4. Section 422.11O, subsection 8, Code 2016, is amended to read as follows:

8. [This section](#) is repealed on January 1, ~~2018~~ 2025.

Sec. 5. Section 422.33, subsection 11B, paragraph c, Code 2016, is amended to read as follows:

c. [This subsection](#) is repealed on January 1, ~~2018~~ 2025.

Sec. 6. 2006 Iowa Acts, chapter 1142, section 49, subsection 3, as amended by 2011 Iowa Acts, chapter 113, section 20, is amended to read as follows:

3. For a retail dealer who may claim an E-85 gasoline promotion tax credit under [section 422.11O](#) or [422.33, subsection 11B](#), as enacted in this Act and amended in subsequent Acts, in calendar year ~~2017~~ 2024 and whose tax year ends prior to December 31, ~~2017~~ 2024, the retail dealer may continue to claim the tax credit in the retail dealer's following tax year. In that case, the tax credit shall be calculated in the same manner as provided in [section 422.11O](#) or [422.33, subsection 11B](#), as enacted in this Act and amended in subsequent Acts, for the remaining period beginning on the first day of the retail dealer's new tax year until December 31, ~~2017~~ 2024. For that remaining period, the tax credit shall be calculated in the same manner as a retail dealer whose tax year began on the previous January 1 and who is calculating the tax credit on December 31, ~~2017~~ 2024.

DIVISION III
INCOME TAX — BIODIESEL BLENDED FUEL TAX CREDIT

Sec. 7. Section 422.11P, subsection 3, paragraph b, Code 2016, is amended to read as follows:

b. The tax credit shall apply to biodiesel blended fuel classified as provided in [this section](#), if the classification meets the standards provided in [section 214A.2](#). In ensuring that biodiesel blended fuel meets the classification requirements of [this section](#), the department shall take into account reasonable variances due to testing and other limitations. The department shall adopt rules to provide that where a blending error occurs and an insufficient amount of biodiesel has inadvertently been blended with petroleum-based diesel fuel so that the mixture fails to qualify as B-11 or higher a one percent tolerance applies when classifying the biodiesel blended fuel.

Sec. 8. Section 422.11P, subsections 4 and 8, Code 2016, are amended to read as follows:

4. For a retail dealer whose tax year is on a calendar year basis, the retail dealer shall calculate the amount of the tax credit by multiplying a designated rate by the retail dealer's total biodiesel blended fuel gallonage as provided in [section 452A.31](#) which qualifies under [this subsection](#).

a. ~~In calendar year 2012, in order to qualify for the tax credit, the biodiesel blended fuel must be classified as B-2 B-5 or higher as provided in paragraph "b".~~

~~(1) For biodiesel blended fuel classified as B-2 or higher but not as high as B-5, the designated rate is two cents.~~

~~(2) b. (1) (a) For Until December 31, 2017, for biodiesel blended fuel classified as B-5 or higher, the designated rate is four and one-half cents.~~

~~(b) This subparagraph (1) is repealed on January 1, 2019.~~

~~b. (2) In calendar year 2013 and for each subsequent calendar year, in order to qualify for the tax credit, the Beginning January 1, 2018, the designated rate is determined as follows:~~

~~(a) For biodiesel blended fuel must be classified as B-5 or higher. The but not as high as B-11, the designated rate for the qualifying biodiesel blended fuel is four and one-half three and one-half cents.~~

~~(b) For biodiesel blended fuel classified as B-11 or higher, the designated rate is five and one-half cents.~~

8. [This section](#) is repealed January 1, 2018 2025.

Sec. 9. Section 422.33, subsection 11C, paragraph c, Code 2016, is amended to read as follows:

c. [This subsection](#) is repealed on January 1, 2018 2025.

Sec. 10. 2011 Iowa Acts, chapter 113, section 31, is amended to read as follows:

SEC. 31. TAX CREDIT AVAILABILITY. For a retail dealer who may claim a biodiesel blended fuel promotion tax credit under [section 422.11P](#) or [422.33, subsection 11C](#), as amended in this Act and amended in subsequent Acts, in calendar year ~~2017~~ 2024, and whose tax year ends prior to December 31, ~~2017~~ 2024, the retail dealer may continue to claim the tax credit in the retail dealer's following tax year. In that case, the tax credit shall be calculated in the same manner as provided in [section 422.11P](#) or [422.33, subsection 11C](#), as amended in this Act and amended in subsequent Acts, for the remaining period beginning on the first day of the retail dealer's new tax year until December 31, ~~2017~~ 2024. For that remaining period, the tax credit shall be calculated in the same manner as a retail dealer whose tax year began on the previous January 1 and who is calculating the tax credit on December 31, ~~2017~~ 2024.

DIVISION IV
SALES AND USE TAX — BIODIESEL PRODUCTION REFUND

Sec. 11. Section 423.4, subsection 9, paragraph e, Code 2016, is amended to read as follows:

e. [This subsection](#) is repealed on January 1, 2018 2025.

DIVISION V
FUTURE REPEALS

Sec. 12. Section 422.11O, subsection 5, Code 2016, is amended to read as follows:

5. ~~α.~~ A retail dealer is eligible to claim an E-85 gasoline promotion tax credit as provided in [this section](#) even though the retail dealer claims ~~one or all of the following related tax credits:~~

~~(1) The ethanol promotion tax credit pursuant to [section 422.11N](#).~~

~~(2) The an E-15 plus gasoline promotion tax credit pursuant to [section 422.11Y](#).~~

~~b. (1) The retail dealer may claim the E-85 gasoline promotion tax credit and one or more of the related tax credits as provided in paragraph “a” for the same tax year.~~

~~(2) The retail dealer may claim the ethanol promotion tax credit as provided in paragraph “a” for the same ethanol gallonage used to calculate and claim the E-85 gasoline promotion tax credit.~~

Sec. 13. Section 422.11Y, subsection 6, Code 2016, is amended to read as follows:

6. ~~α.~~ A retail dealer is eligible to claim an E-15 plus gasoline promotion tax credit as provided in [this section](#) even though the retail dealer claims ~~one or all of the following related tax credits:~~

~~(1) The ethanol promotion tax credit pursuant to [section 422.11N](#).~~

~~(2) The an E-85 gasoline promotion tax credit pursuant to [section 422.11O](#).~~

~~b. (1) The retail dealer may claim the E-15 plus gasoline promotion tax credit and one or more of the related tax credits as provided in paragraph “a” for the same tax year.~~

~~(2) The retail dealer may claim the ethanol promotion tax credit as provided in paragraph “a” for the same ethanol gallonage used to calculate and claim the E-15 plus gasoline promotion tax credit.~~

Sec. 14. REPEAL. Any intervening provision effective prior to the effective date of this division of this Act that amends section 422.11O, subsection 5, or section 422.11Y, subsection 6, as amended in this division of this Act, is repealed, unless that Act or another Act specifically provides otherwise.

Sec. 15. EFFECTIVE DATE. This division of this Act takes effect January 1, 2021.

Approved May 24, 2016