

CHAPTER 1142**FUEL EXCISE TAX EXEMPTION — ETHANOL BLENDED GASOLINE PURCHASED
FOR USE IN AN IMPLEMENT OF HUSBANDRY USED IN AGRICULTURAL
PRODUCTION***S.F. 2493*

AN ACT relating to the excise tax on certain ethanol blended gasoline purchased exclusively for use in an implement of husbandry used in agricultural production.

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

Section 1. **NEW SECTION. 452A.16 Exempt fuel — implements of husbandry.**

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

2. A person who purchases fuel on which an excise tax is not collected in accordance with subsection 1 shall substantiate the purchase with an exemption certificate provided by the department. The exemption certificate must be complete and correct according to the requirements of the director, signed by the purchaser, and retained by the supplier. A supplier shall retain exemption certificates for at least three years.

3. The department shall disallow all sales of gallonage described in this section unless proof is established by an exemption certificate.

4. If a purchaser uses or disposes of fuel that was purchased using an exemption certificate pursuant to subsection 2 in a nonexempt manner, the purchaser is solely liable for the excise tax and shall remit the tax directly to the department.

Approved June 1, 2026