

E85 Gasoline Promotion Tax Credit

Tax Credit Description

A refundable income tax credit is available to retailers who sell E85 gasoline. First available in calendar year 2006, the tax credit equaled 25 cents per gallon. The tax credit rate fell to 20 cents in calendar year 2009 and 10 cents in calendar year 2011. The tax credit rate was increased to 16 cents per gallon in calendar year 2012. The tax credit expires December 31, 2027.

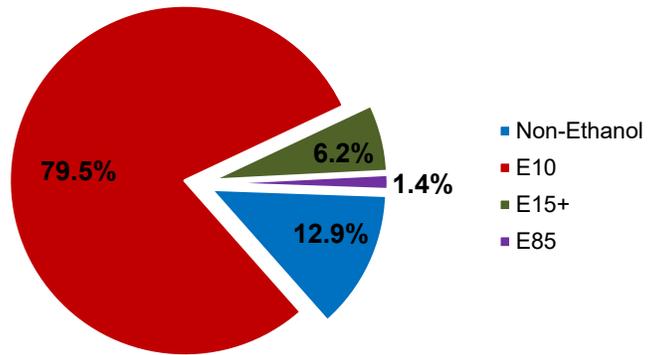
Motor Fuel Station Location Shares, CY 2021

286/9.0%
Stations with E85

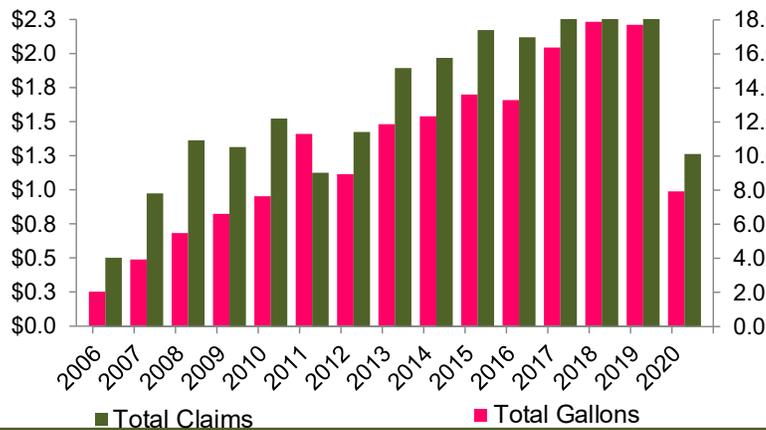
19.3 Million
Gallons of E85
Sold



Share of Gasoline Gallons Sold, CY 2021



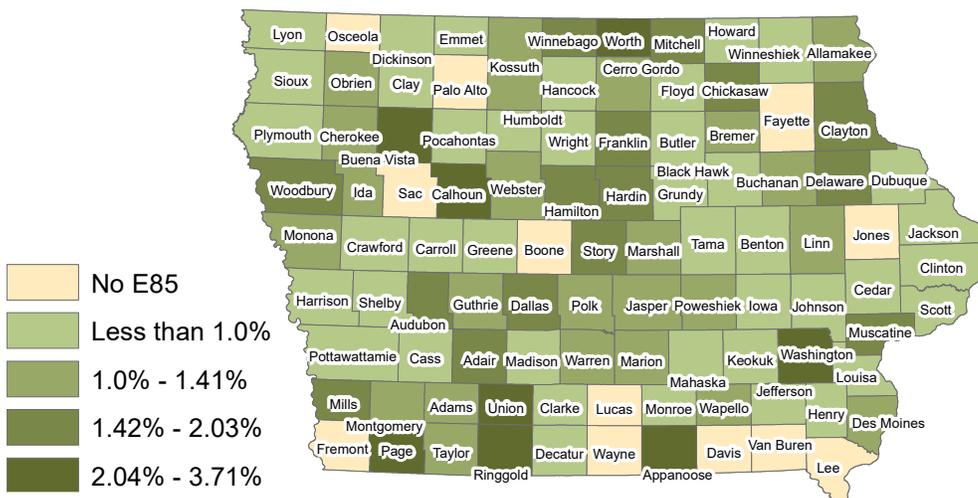
E85 Gasoline Tax Credit Claims & Incentivized Gallons



Other Incentives for E85 Gasoline

- Ethanol Promotion Tax Credit – A refundable income tax credit for pure ethanol sales where eligibility is based on a retailer’s biofuel distribution percentage, which is calculated as the ratio of pure ethanol gallons plus pure biodiesel gallons sold to total gasoline gallons sold.
- The Ethanol Promotion Tax Credit can be claimed for the same E85 sales eligible for this tax credit.
- Reduced Fuel Excise Tax Rate – Gasoline blended with at least 10 percent ethanol is subject to an excise tax rate of 29 cents, 1.7 cents below the tax rate on all other gasoline.

Reported E85 Shares by County, CY 2021



Reported E85 Sales Rankings by County

- #1 Gallons of E85 - Polk (2.4 Million)
- #1 Average E85 Gallons Sold Per Station - Page (125,626)
- #1 Share of E85 - Worth (3.8%)

Source: Iowa Department of Revenue, Retailers Motor Fuel Gallons Annual Report 2021