

Biodiesel Blended Fuel Tax Credit

Tax Credit Description

A refundable income tax credit is available to retailers who sell biodiesel blended fuel. First available in calendar year 2006. In calendar years 2013 through 2017, the tax credit equaled 4.5 cents per gallon for blends classified as B5 or higher; lower blends are no longer eligible. Beginning January 1, 2018, the tax credit equals 3.5 cents for blends between B5 and B10 and 5.5 cents for blends classified as B11 or higher. Beginning January 1, 2023, the tax credit equals 5.0 cents for blends between B11 and B20, 7.0 cents for blends classified between B20 and B29, and 10 cents for blends classified as B30 or above. The tax credit expires December 31, 2024.

Diesel Station Location Shares, CY 2020

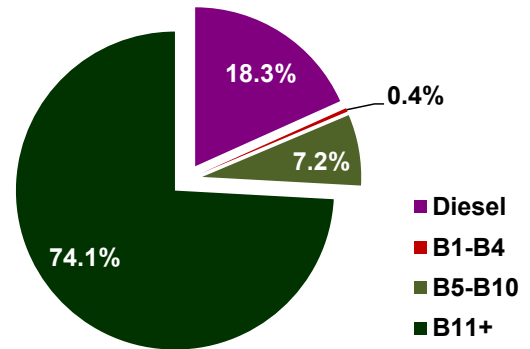
758/38.1%
Stations with B5+

66.0 Million
Gallons of B5-B10
Sold

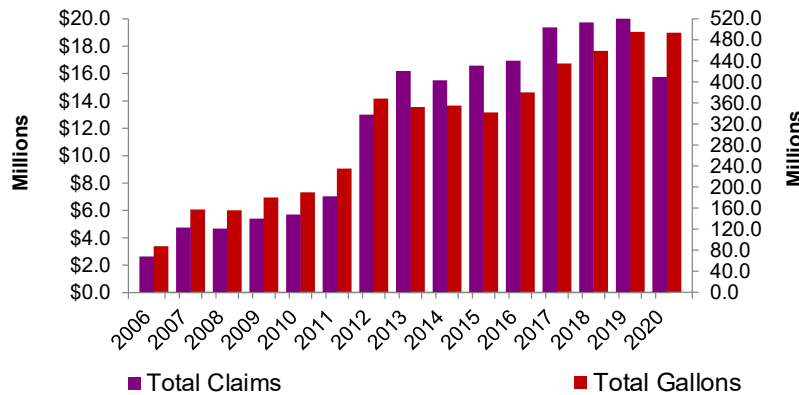
377.7 Million
Gallons of B11+
Sold



Share of Diesel Type Gallons Sold, CY 2020



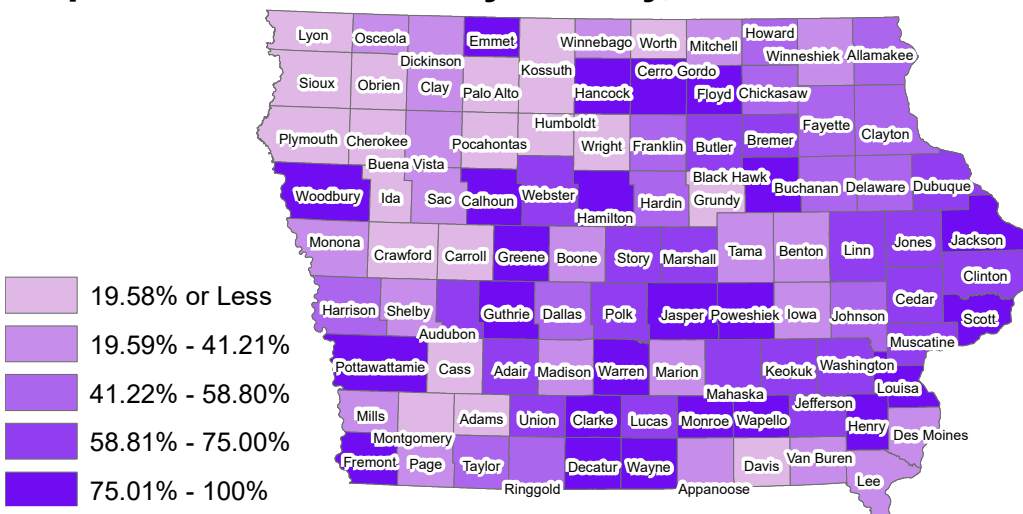
Biodiesel Blended Fuel Tax Credit Claims & Incentivized Gallons



Other Incentives for Biodiesel Blended Fuel

- Biodiesel Production Sales Tax Refund - A qualified biodiesel producer receives a sales tax refund equal to 2 cents per gallon produced, each quarter, up to 25 million gallons each year.
- Reduced Fuel Excise Tax Rate – Diesel blended with at least 11 percent biodiesel is subject to an excise tax rate of 29.5 cents, 3 cents below the tax rate on all other diesel.

Reported B5+ Shares by County, CY 2020



Reported B5+ Sales Rankings by County

- #1 Gallons of B5+ - Pottawattamie (56.8 Million)
- #1 Average B5+ Gallons Sold Per Station - Fremont (4.6 Million)
- Share of B5+ - Monroe (100%)

Source: Iowa Department of Revenue, Retailers Motor Fuel Gallons Annual Report 2020