



## **House File 2128 Summary:**

### **General E15 Access Standard:**

- Any facility built after January 1, 2023 must comply with the General E15 Access Standard which requires E15 to be offered for sale at 50 percent of qualifying gasoline dispensers.

### **Alternative E15 Access Standard:**

- Existing facilities which do not qualify for a waiver (described below) from the Alternative E15 Access Standard must offer E15 from a minimum of one fueling position on January 1, 2026.
- Any facility replacing a gasoline storage tank will be required to comply with the General E15 Access Standard and offer E15 from a minimum 50 percent of qualifying gasoline dispensers.

### **Waivers From the Alternative E15 Access Standard:**

#### **Small Retailer Exemption**

- A retail facility selling 300,000 gallons of gasoline or less is eligible to apply to the Department of Agriculture for an exemption from the Alternative E15 Access Standard. The retailer must submit their annual gallons beginning January 1, 2020 and ending December 31, 2022 if requested by the Department of Agriculture.

#### **Class I Waiver**

- Sites with underground storage tanks meeting the following criteria are exempt from the Alternative E15 Access Standard:
  - Each motor fuel storage tank not constructed of fiberglass installed during or prior to 1985.
  - Each single-wall fiberglass storage tank was installed during or prior to 1996.
  - Each double-wall fiberglass storage tank was installed during or prior to 1991.
- The installation, replacement, or conversion of a gasoline storage tank triggers compliance with the General E15 Access Standard described above.

#### **Class II Waiver**

- If the cost to a facility owner to comply with the Alternative E15 Access Standard exceeds \$71,428 to make E15 available at a single gasoline fueling position, the owner may apply to the Department of Agriculture for a Class II waiver. The cost analysis shall be based on a completed inspection report by a certified professional retail motor fuel site installer. The reasonable costs associated with assessing a retail motor fuel site may be included in the inspection report.

#### **Duration of Waivers:**

- Class I and Class II Waivers applied for and received by an owner are valid until 2041 or until a gasoline storage tank is installed, replaced, or converted.

#### **Penalties For Non-Compliance With The E15 Access Standards:**

- The Department of Agriculture may refuse to issue or renew and may suspend or revoke a license issued by the Department.

**Penalties For Submission of an Inaccurate E15 Incompatibility Infrastructure Waiver:**

- A retail dealer knowingly submitting a false incompatible infrastructure waiver order commits perjury as provided in Iowa Code 720.2.

**E85 Gasoline Compatible Infrastructure Requirement:**

- A retail dealer installing, replacing, or converting gasoline storage and dispensing infrastructure used to store and dispense ethanol blended gasoline classified as E15 or higher must install infrastructure compatible with E85. Effective January 1, 2023.

**B20 Diesel Fuel Compatible Infrastructure Requirement:**

- A retail dealer installing, replacing, or converting diesel fuel storage and dispensing infrastructure must install infrastructure compatible with B20 or higher. Effective January 1, 2023.

**Qualified Renewable Fuel Use by State Motor Vehicles:**

- The state shall provide for the purchase and operation of motor vehicles using qualified renewable fuels. A state motor vehicle operating using an internal combustion engine powered by gasoline or diesel fuel shall use the highest possible classification of a qualified renewable fuel allowed by the vehicle manufacturer.

**E85 Tax Credit:**

- The tax credit remains \$0.16 cents-per-gallon and is repealed on January 1, 2026.

**B5 Tax Credit:**

- Eliminated effective January 1, 2023.

**B11 Tax Credit:**

- Biodiesel blends containing between 11 percent and 19 percent by volume biodiesel will be eligible for an income tax credit of \$0.05 cents-per-gallon. Effective January 1, 2023 through January 1, 2028.

**B20 Tax Credit:**

- Biodiesel blends containing between 20 percent and 29 percent by volume biodiesel will be eligible for an income tax credit of \$0.07 cents-per-gallon. Effective January 1, 2023 through January 1, 2028.

**B30 Tax Credit:**

- Biodiesel blends classified as B30 or higher are eligible for an income tax credit of \$0.10 cents-per-gallon. Effective January 1, 2023 through January 1, 2028.

**E15 Plus Gasoline Promotion Tax Credit:**

- The E15 income tax credit moves to a flat rate of \$0.09 cents-per-gallon effective January 1, 2023.

#### **Iowa Department of Revenue Retail Motor Fuel Gallons Report – Mandatory Reporting and Penalty:**

- Retail dealers, including tankwagon operators, shall prepare and file the report with the Department of Revenue. Failure to file may result in a fine of \$100 per occurrence.

#### **Excise Tax Imposed on Gasoline and Diesel Fuel:**

- Excise tax rates for E15 plus will remain subject to market share and adjusted accordingly on an annually basis.
- Effective July 1, 2024, the current excise tax offset for B11 will move to B20. On July 1, 2024, the excise tax rate for B0 – B19 will move to \$0.325 cents-per-gallon. B20 will be assessed an excise tax rate of \$0.295 cents-per-gallon and will be adjusted upward according to market share on an annual basis.

#### **Biodiesel Production Tax Credit:**

- The biodiesel production tax credit paid to biodiesel producers for producing biodiesel in Iowa is increased from \$0.02 cents-per-gallon to \$0.04 cents-per-gallon. The credit is applied to the first 25 million gallons of biodiesel produced at a facility.

#### **Renewable Fuel Infrastructure Grant Program**

##### **Compatibility:**

- Ethanol related projects eligible for grant funding under the program must meet an E85 equipment compatibility standard.
- Biodiesel related projects eligible for grant funding under the program must meet a B20 or higher equipment compatibility standard.

##### **Ethanol Project Cost Share:**

- A tier I facility is owned by an operator of 10 or fewer sites and sells between 1-140,000 gallons of gasoline annually. A tier I facility is eligible for a cost share agreement covering up to 90 percent of the project cost not to exceed \$63,900.
- A tier II facility is owned by an operator of 10 or fewer sites and sells more than 140,000 gallons but not more than 450,000 gallons of gasoline annually. A tier II facility is eligible for a cost share agreement covering up to 75 percent of the project cost not to exceed \$53,250.
- A tier III facility is any facility not meeting the criteria above. A tier III facility is eligible for a cost share agreement covering up to 70 percent of cost or \$50,000, whichever is less.

##### **Biodiesel Project Cost Share and Eligibility:**

- A minimum blend of B5 is required to be sold by an applicant throughout the duration of the grant commitment with one exception. Beginning April 1 and ending October 31 of each year, the grant recipient must use the biodiesel infrastructure to store and dispense, or store, blend, and dispense biodiesel blended fuel classified as B11 or higher.
- Cost share awards remain \$50,000 or 70 percent of cost, whichever is less.

**Terms:**

- Cost share terms include a 5-year commitment to marketing the ethanol or biodiesel product eligible for grant assistance.