

Legal name: \_\_\_\_\_

Doing business as: \_\_\_\_\_

Federal Employer Identification Number (FEIN) or Social Security Number (SSN): \_\_\_\_\_

Pass-through entity (if applicable): \_\_\_\_\_

Pass-through FEIN: \_\_\_\_\_ Tax period ending date: \_\_\_\_\_

**Check appropriate box(es):**

**Fuel used for:** 1. Farming  2. Commercial  3. Commercial fishing  4. Other   
(specify) \_\_\_\_\_

**1. Gasoline**

Invoice Date	Invoice Gallons	Highway Gallons	Claimed Gallons	Tax Rate	Fuel Tax Paid	Sales Tax	Fuel Tax Credit
01/01/2023 to end of tax year				\$0.300	\$	\$	\$

**2. Ethanol Blended Gasoline – E-10 to E-14**

Invoice Date	Invoice Gallons	Highway Gallons	Claimed Gallons	Tax Rate	Fuel Tax Paid	Sales Tax	Fuel Tax Credit
01/01/2023 to end of tax year				\$0.300	\$	\$	\$

**3. Ethanol Blended Gasoline – E-15 or Higher**

	Invoice Date	Invoice Gallons	Highway Gallons	Claimed Gallons	Tax Rate	Fuel Tax Paid	Sales Tax	Fuel Tax Credit
3a.	01/01/2023 to 06/30/2023				\$0.240	\$	\$	\$
3b.	07/01/2023 to end of tax year				\$0.245	\$	\$	\$

**4. Undyed Diesel Fuel – B-0 to B-10**

Invoice Date	Invoice Gallons	Highway Gallons	Claimed Gallons	Tax Rate	Fuel Tax Paid	Sales Tax	Fuel Tax Credit
01/01/2023 to end of tax year				\$0.325	\$	\$	\$



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5. **Undyed Biodiesel Fuel – Blends B-11 or Higher**

	Invoice Date	Invoice Gallons	Highway Gallons	Claimed Gallons	Tax Rate	Fuel Tax Paid	Sales Tax	Fuel Tax Credit
5a.	01/01/2023 to 06/30/2023				\$0.301	\$	\$	\$
5b.	07/01/2023 to end of tax year				\$0.298	\$	\$	\$

6. **Special Fuel – Liquefied Petroleum Gas (LPG)**

	Invoice Date	Invoice Gallons	Highway Gallons	Claimed Gallons	Tax Rate	Fuel Tax Paid	Sales Tax	Fuel Tax Credit
	01/01/2023 to end of tax year				\$0.300	\$	\$	\$

7. **Fuel Tax Credit**

Add Fuel Tax Credit columns from lines 1 through 6. See Where to Report This Tax Credit in instructions.....7. \$ \_\_\_\_\_

8. **Pass-through Fuel Tax Credit received from partnership, limited liability company (LLC), S corporation, estate, or trust.**

See Where to Report This Tax Credit in instructions. ....8. \$ \_\_\_\_\_



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## What's New for Tax Year 2023

Effective July 1, 2023, the fuel tax rates for E-15 or higher and B-11 or higher have changed. All other fuel types are unchanged.

### About the Iowa Fuel Tax Credit

Ethanol Blended Gasoline is separated into two different categories: E-10 to E-14 and E-15 or higher (including E-85).

Taxpayers may claim a tax credit on their income tax returns for fuel that was purchased during the tax period to be used in unlicensed vehicles for non-highway purposes.

If you filed a fuel tax refund claim during the tax year, you cannot also claim a Fuel Tax Credit; your refund permit will become invalid if you claim a Fuel Tax Credit. However, the Fuel Tax Credit is not available for casualty losses, transport diversions, idle time, pumping credits, off-loading procedures, reefer units, blending errors, power take-offs, ready mix, solid waste, export by distributors, or tax overpaid on blended fuel. A refund can be claimed for those reasons alongside the Fuel Tax Credit.

Dyed diesel fuel is always sold free of Iowa fuel tax. No Fuel Tax Credit may be claimed for dyed diesel fuel.

All undyed special fuel used in watercrafts is eligible for the Fuel Tax Credit; however, gasoline used in a watercraft does not qualify for the tax credit unless the watercraft was used by a commercial fisher licensed and operating under an owner's certificate for commercial fishing gear issued pursuant to Iowa Code section 482.7.

### Pass-Through Entities – Allocation of Tax Credit

The tax credit calculated on lines 1 through 7 by a pass-through entity (partnership, LLC, S corporation, estate, or trust) is allocated to the members. The tax credit allocation must be in the ratio of each member's share of the earnings of the entity to the entity's total earnings. Special allocations are not permitted. The pass-through entity must file the IA 4136 and the federal 4136 with its return.

Report the tax credit to the Department and to members as instructed (see Where to Report This Tax Credit).

If the taxpayer earns a tax credit and is a member of a pass-through entity that has passed through a

tax credit to the taxpayer, calculate the tax credit on IA 4136, lines 1 through 7 and enter the pass-through tax credit on line 8. Report each tax credit separately.

### Claiming This Tax Credit

**Federal Employer ID Number or Social Security Number:** Enter your Federal Employer ID Number (FEIN) or Social Security Number (SSN). Do not enter your canceled fuel tax refund permit number.

**Fuel Used For:** Mark the proper box(es) to indicate how the fuel was used. Review your invoices to verify that Iowa fuel tax was paid before claiming a tax credit. This area must be completed.

**Lines 1-6:** Invoice Gallons - Based on the invoice date, enter the total number of whole gallons of fuel purchased on which Iowa fuel tax was paid during your tax year. Invoices must be issued in the name of the taxpayer or entity claiming the tax credit. Retain invoices for three years after your return is filed.

Highway Gallons - Enter the number of whole gallons included in invoice gallons that were used on the highway.

Claimed Gallons - Subtract highway gallons from invoice gallons to calculate claimed gallons.

Fuel Tax Paid - Multiply the claimed gallons by the appropriate tax rate per gallon in each row.

Sales Tax - Iowa sales tax is owed on all fuel claimed for the tax credit except that used in exempt activities such as farming and processing. To compute sales tax, within each row, calculate the average cost per gallon of fuel purchased minus the relevant per gallon Iowa fuel tax. Multiply the result by the claimed gallons. Multiply this amount by the Iowa sales tax rate of 6% to calculate the sales tax owed.

Fuel Tax Credit - Subtract sales tax from the fuel tax paid. Any Fuel Tax Credit claimed must be net of sales tax owed.

**Line 8:** If the taxpayer has received any pass-through Fuel Tax Credit from a partnership, LLC, S corporation, estate, or trust, enter that amount on this line. File a separate IA 4136 for each pass-through Fuel Tax Credit received and provide the required information regarding the pass-through entity. See Where to Report This Tax Credit.

**Include this form and the federal 4136 with your IA 1040, IA 1041, IA 1120, IA 1120S, or IA 1065.**

## Where to Report This Tax Credit

Iowa Form:	Enter the sum of amounts from lines 7 and 8 on:	Additional Instructions:
1040	Main return, Step 6, line 23	
1120	Main return Schedule C1, line 1	
1041	Main return, line 42 (amounts claimed at entity level)  <b>and</b>  IA 1041 Schedule K-1 (amounts allocated to beneficiaries)	<ul style="list-style-type: none"> <li>• If any amount of the tax credit is allocated to beneficiaries, do all of the following: <ul style="list-style-type: none"> <li>○ Report the allocated share of line 7 and 8 amounts on each beneficiary's IA 1041 Schedule K-1 using tax credit code 4136. List each tax credit claim earned or received separately.</li> <li>○ Instruct beneficiaries to report their allocated tax credit on line 8 of form IA 4136 and include the IA 4136 with their return.</li> </ul> </li> </ul>
1065	Main return Schedule B  <b>and</b>  IA 1065 Schedule K-1	<ul style="list-style-type: none"> <li>• Report line 7 and 8 amounts on the IA 1065 Schedule B as earned by the entity (line 7) or received from another pass-through entity (line 8) and use tax credit code 4136. Also, report each member's allocated share of the tax credit on the IA 1065 Schedule K-1 using tax credit code 4136. List each tax credit claim earned or received separately on Schedule B and Schedule K-1.</li> <li>• Instruct members to report their allocated tax credit on line 8 of form IA 4136, and include the IA 4136 with their return.</li> </ul>
1120S	Main return Schedule B  <b>and</b>  IA 1120S Schedule K-1	<ul style="list-style-type: none"> <li>• Report line 7 and 8 amounts on the IA 1120S Schedule B as earned by the entity (line 7) or received from another pass-through entity (line 8) and use tax credit code 4136. Also, report each member's allocated share of the tax credit on the IA 1120S Schedule K-1 using tax credit code 4136. List each tax credit claim earned or received separately on Schedule B and Schedule K-1.</li> <li>• Instruct members to report their allocated tax credit on line 8 of form IA 4136 and include the IA 4136 with their return.</li> </ul>