

# 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, the tax credit equaled 3 cents per gallon of blends of 2 percent or higher (B2), but at least 50 percent of diesel sales had to be biodiesel blends. In calendar year 2012, the tax credit equaled 2 cents per gallon for blends between B2 and B4 and 4.5 cents per gallon for blends classified as B5 or higher, but the 50 percent sales requirement was eliminated. 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. The tax credit expires December 31, 2024.

## Diesel Station Location Shares, CY 2017

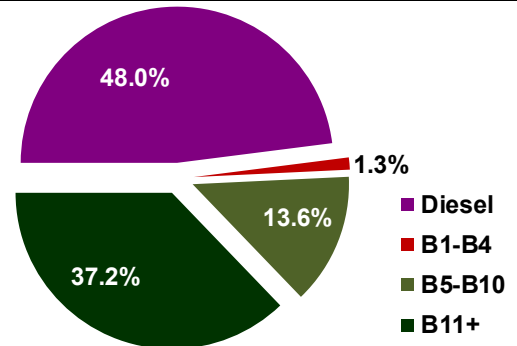
**387/27.3%**  
Stations with B5+

**112.6 Million**  
Gallons of B5-B10  
Sold

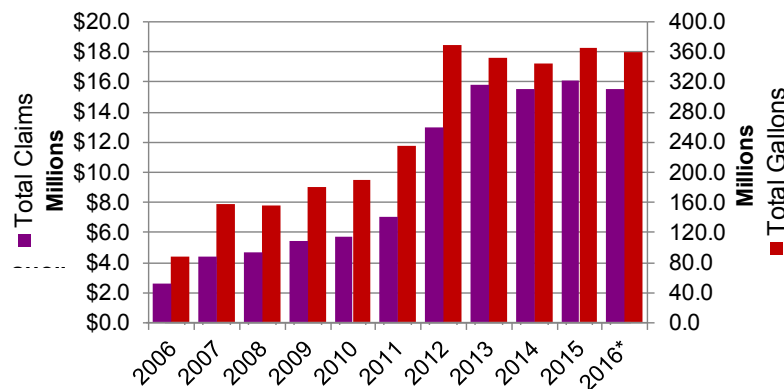
**311.9 Million**  
Gallons of B11+  
Sold



## Share of Diesel Type Gallons Sold, CY 2017



## Biodiesel Blended Fuel Tax Credit Claims & Incentivized Gallons

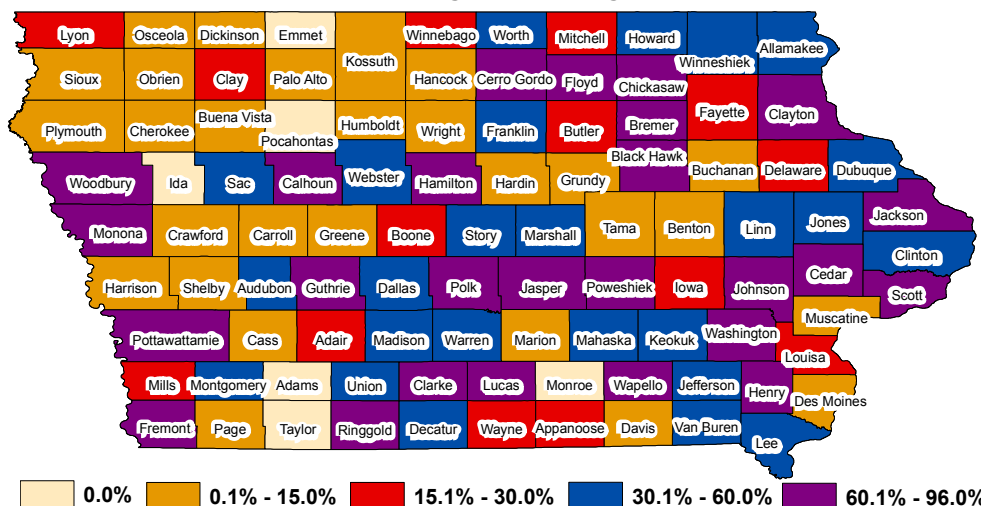


Notes: \* Tax year 2016 data is incomplete.

## 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 2017



Source: Iowa Department of Revenue, Retailers Motor Fuel Gallons Annual Report 2017

## Reported B5+ Sales Rankings by County

- #1 Gallons of B5+ - Polk (47.0 Million)
- #1 Average B5+ Gallons Sold Per Station - Fremont (5.6 Million)
- #1 Share of B5+ - Fremont (95.4%)