



Iowa Ethanol Promotion Tax Credit

Name(s)	SSN or FEIN	Tax Period Ending Date
Pass-Through Entity Name (if applicable)	Pass-Through FEIN	

PART I – Determination of Biofuel Threshold Percentage Disparity

Indicate determination method:  Company-wide <input type="checkbox"/> Site-by-site <input type="checkbox"/>	2014 GALLONS Beginning of tax year through 12-31-2014			2015 GALLONS 1-01-2015 through end of tax year		
	A	B	C (AxB)	D	E	F (DxE)
1. E10 gallons sold .....	1.	10%		1.	10%	
2. E15 gallons sold .....	2.	15%		2.	15%	
3. E85 gallons sold .....	3.	79%		3.	79%	
4. Ethanol gallons other E10, E15, or E85 sold..	4.	%		4.	%	
5. Total ethanol sold. Add lines 1 through 4 .....	5.			5.		
6. Non-ethanol gasoline gallons sold.....	6.			6.		
7. Total gasoline gallons sold. Add lines 5 and 6.....	7.			7.		
8. Biodiesel gallons sold						
a. B2 gallons .....	8a.	2%		8a.	2%	
b. B5 gallons .....	8b.	5%		8b.	5%	
c. B10 gallons .....	8c.	10%		8c.	10%	
d. B20 gallons .....	8d.	20%		8d.	20%	
e. Other biodiesel gallons.....	8e.	%		8e.	%	
9. Total pure biofuel sold. Add lines 5 and 8a through 8e .....	9.			9.		
10. <b>Biofuel distribution percentage</b> - Divide line 9 by line 7, enter percentage to 4 decimals, i.e. 12.05%.....	10.	%		10.	%	
11. <b>Biofuel threshold percentage</b> – Based on annualized sales at all retail locations .....	11.	%		11.	%	
<b>Fiscal year filers see instructions to annualize line 7</b>						
12. <b>Biofuel threshold percentage disparity</b> - Subtract line 10 from line 11, enter to 4 decimals. If zero or less, enter zero .....	12.	%	If 4.01% or more, you are not eligible for this credit	12.	%	If 4.01% or more, you are not eligible for this credit

If line 7 for all sites in 2014 is 200,000 gallons or less, enter 13%  
If line 7 for all sites in 2014 exceeds 200,000 gallons, enter 15%

If line 7 for all sites in 2015 is 200,000 gallons or less, enter 14%  
If line 7 for all sites in 2015 exceeds 200,000 gallons, enter 17%

**PART II – Determination of Credit**

For Site-by-site method, provide name and address of Iowa Retail Motor Fuel Site

Name \_\_\_\_\_

Address \_\_\_\_\_

City and ZIP \_\_\_\_\_

Credit calculation for both Company-wide and Site-by-site methods	2014 Gallons Beginning of tax year through 12-31-14 A	2015 Gallons 01-01-15 through end of tax year B
1. Total pure ethanol sold. Enter line 5 of Part I, Column C/F.....	1. _____	1. _____
2. Eligible tax credit rate per gallon....	2. _____ If column A, line 12 of Part I=0.00%, enter \$0.08 (eight cents) If column A, line 12 of Part I=0.01 to 2.00%, enter \$0.06 (six cents) If column A, line 12 of Part I=2.01 to 4.00%, enter \$0.04 (four cents)	2. _____ If column D, line 12 of Part I=0.00%, enter \$0.08 (eight cents) If column D, line 12 of Part I=0.01 to 2.00%, enter \$0.06 (six cents) If column D, line 12 of Part I=2.01 to 4.00%, enter \$0.04 (four cents)
3. Credit for ethanol sold. Multiply line 1 by line 2.....	3. _____	3. _____
4. Add lines 3A and 3B.....	4. _____	

**PART III – Final Credit Calculation (complete only once for Site-by-site method)**

**1. Ethanol Promotion Tax Credit:**

Company-wide method - Line 4 of Part II

Site-by-site method - Add all line 4's from all Part II's..... 1. \_\_\_\_\_

**2. Pass-through Ethanol Promotion Tax Credit from partnership, LLC, S corporation, estate, or trust.**

Enter on Part II of the IA 148 Tax Credits Schedule and provide pass-through information on Part IV ..... 2. \_\_\_\_\_

**IA 148 Tax Credits Schedule must be completed.**

## 2014 IA 137 Ethanol Promotion Tax Credit Instructions

An Ethanol Promotion Tax Credit is available to taxpayers who are retail dealers of ethanol blended gasoline and who operate motor fuel pumps at an Iowa retail motor fuel site. Tank wagons are considered retail motor fuel sites.

The retail dealer can choose to compute the biofuel distribution percentage, biofuel threshold percentage disparity, and tax credit on a Company-wide or Site-by-site basis. The Company-wide or Site-by-site method chosen with the first return that begins on or after January 1, 2011 is binding on the retail dealer for subsequent tax years unless the retail dealer petitions the Department for a change in the method.

If the retail dealer chooses the Company-wide method, then Part I and Part II of the form will include sales at all retail locations in Iowa, and only one Part I and one Part II will be completed. If the retail dealer chooses the Site-by-site method, then Part I and Part II of the form must be completed for each retail motor fuel site in Iowa eligible for the credit. Only one Part III must be completed under either method. If the Site-by-site method is chosen, the retail sales at all sites in Iowa must be included in determining the biofuel threshold percentage on line 11 of Part I.

**EXAMPLE:** A retail dealer files on a calendar year basis, and chooses the Site-by-site method to compute the credit. The retail dealer has two sites in Iowa, and each site sells 125,000 gallons of gasoline during 2014. The retail dealer must enter 15% as the biofuel threshold percentage on line 11 of each Part I since the total gallons sold during 2014 at all retail sites in Iowa exceeds 200,000 gallons.

Provide the name and SSN or FEIN of the taxpayer claiming the credit. Report the ending date of the tax year for which the credit is claimed. If the Ethanol Promotion Tax Credit is being passed through to the taxpayer by a S Corporation, partnership, LLC, estate, or trust, also provide that entity name and FEIN.

### **Part I - Determination of Biofuel Distribution Percentage**

#### Calendar year filers:

If the taxpayer files a tax return on a calendar year basis, then only 2014 gallons need to be reported.

#### Fiscal year filers:

If a taxpayer files a tax return for a fiscal year that extends into 2015, the calculation must be performed separately for all gallons sold during 2014 and for all gallons sold from January 1, 2015, through the end of the taxpayer's fiscal year.

**Line 5: Total ethanol sold** - Total ethanol is the total number of pure ethanol gallons sold. This is computed on lines 1-4 by multiplying the ethanol blended gallons sold (column A/D) by the appropriate ethanol content percentage (column B/E). For example, 10,000 gallons of ethanol blended gasoline formulated with 10% by volume of ethanol results in 1,000 gallons of pure ethanol.

The ethanol percentage used for E85 is 79%, which is an average of the amount of ethanol contained in E85 during warm and cold weather. If a blend other than E10, E15, or E85 is sold, designate the ethanol gallons sold in line 4, column A/D, the ethanol content percentage in line 4, column B/E, and compute the pure ethanol in column C/F. If more than one additional blend is sold, provide that information on a separate page and include those gallons in the total gasoline gallons sold on line 7, column A/D, and the total pure ethanol gallons sold on line 5, column C/F.

**Line 7: Total gasoline gallons sold** - Total gasoline gallons computed in line 7, column A/D, is the total number of gallons of gasoline sold. This does not include any biodiesel or diesel gallons sold.

**Line 8: Biodiesel gallons sold** – Pure biodiesel sold is computed on lines 8a-8e by multiplying the biodiesel blended fuel gallons sold (column A/D) by the appropriate biodiesel content percentage (column B/E). For example, 10,000 gallons of biodiesel blended fuel formulated with 5% by volume of biodiesel results in 500 gallons of pure biodiesel.

If sales of biodiesel blended fuel are made for a blend other than those listed, designate the biodiesel gallons sold in line 8e, column A/D, and the biodiesel content percentage in line 8e, column B/E. If more than one additional blend is sold, provide that information on a separate page and include those gallons in the total pure biodiesel sold on line 8, column C/F.

**Line 10: Biofuel distribution percentage** - Divide line 9, column C by line 7, column A for calendar year 2014 sales. Divide line 9, column F by line 7, column D for calendar year 2015 sales. Record the result rounding to four decimal places (1/100th of 1%), for example, 12.05%.

**Line 11: Biofuel threshold percentage** - The tax credit rate applied under the Ethanol Promotion Tax Credit depends on whether the taxpayer attains the biofuel threshold percentage, which is dependent on the number of total gasoline gallons sold at all retail motor fuel sites operated by the taxpayer during the calendar year even if the Site-by-site method is chosen. Taxpayers with total gasoline sales exceeding 200,000 gallons in a year face a higher biofuel percentage threshold than taxpayers with total gasoline sales of 200,000 gallons or less.

- The biofuel threshold percentage is 13% for taxpayers who sell 200,000 gallons or less during the 2014 calendar year.
- The biofuel threshold percentage is 14% for taxpayers who sell 200,000 gallons or less during the 2015 calendar year.

- The biofuel threshold percentage is 15% for taxpayers who sell more than 200,000 gallons during the 2014 calendar year.
- The biofuel threshold percentage is 17% for taxpayers who sell more than 200,000 gallons during the 2015 calendar year.

For fiscal year filers, it is necessary to determine the applicable biofuel threshold percentage by annualizing sales for each calendar year in which the fiscal year falls.

EXAMPLE: A taxpayer with a fiscal year beginning May 1, 2014, and ending April 30, 2015, with sales of 100,000 gallons at all retail locations between May 1, 2014, and December 31, 2014, would have annualized 2014 sales of 150,000 gallons that would result in a 2014 biofuel threshold percentage of 13% (100,000 gallons / 8 months \* 12 months = 150,000 annualized gallons). If the same taxpayer had sales of 70,000 gallons between January 1, 2015, and April 30, 2015, the 2015 annualized sales would be 210,000 gallons and the 2015 biofuel threshold percentage would be 17% (70,000 gallons / 4 months \* 12 months = 210,000 annualized gallons).

**Line 12: Biofuel threshold percentage disparity** - To determine the applicable Ethanol Promotion Tax Credit rate, the taxpayer subtracts the calculated biofuel distribution percentage on line 10, column A/D from the proper biofuel threshold percentage on line 11, column A/D. The taxpayer calculates a separate biofuel threshold percentage disparity for each calendar year for which sales are reported. If line 10 exceeds line 11, enter zero. If line 11 exceeds line 10 by more than 4.01% for the calendar year, the taxpayer is not eligible to claim the credit on any ethanol sales for that calendar year under the Company-wide method, or for that retail site under the Site-by-site method.

## Part II – Determination of Credit

### Site-by-site:

Provide the name and address of the retail motor fuel site including street, city, and Zip Code.

The Ethanol Promotion Tax Credit for each retail motor fuel site is calculated by multiplying the retail dealer's total ethanol sold at that site by the tax credit rate, which is dependent upon the retail site's biofuel threshold percentage disparity calculated under Part I. On line 1, report ethanol sales for the retail motor fuel site calculated on line 5, column D/F of Part I. For fiscal year filers, split sales between calendar years.

Enter the applicable credit rate for the retail site in line 2 as noted under line 2.

Compute the credit for the retail motor fuel site on line 3 by multiplying the tax credit rate entered on line 2 by total ethanol sold in line 1 for each calendar year in which ethanol sales are reported.

### Company-wide:

The credit is calculated by multiplying the taxpayer's total ethanol sold by the tax credit rate, which is dependent upon the taxpayer's biofuel threshold percentage disparity calculated under Part I on a Company-wide basis. On line 1 report ethanol sales for the company calculated on line 5, column D/F of Part I. For fiscal year filers, split sales between calendar years.

Enter the applicable credit rate on line 2, as noted under line 2.

Compute the credit for the company on line 3 by multiplying the tax credit rate entered on line 2 by total ethanol sold in line 1 for each calendar year in which ethanol sales are reported.

## Part III - Final Credit Calculation

### Site-by-site:

Complete Part III of the IA 137 only once. Add the credit calculated for all retail motor fuel sites on line 4 of all Part II's and place on Part III line 1 of the IA 137. Individuals and C corporations, enter in Part II of the IA 148 Tax Credits Schedule using tax credit code 64.

### Company-wide:

Place the credit calculated on line 4 of Part II on Part III line 1 of the IA 137. Individuals and C corporations, enter in Part II of the IA 148 Tax Credits Schedule using tax credit code 64.

### Pass-through credits:

If the taxpayer has received any pass-through Ethanol Promotion Tax Credit from a partnership, LLC, S corporation, estate, or trust, indicate that amount on one Part III line 2 of the IA 137. Also enter the amount on Part II of the IA 148 Tax Credits Schedule, using tax credit code 64, and provide the pass-through name and FEIN in Part IV of the IA 148 Tax Credits Schedule. File a separate IA 137 for each pass-through Ethanol Promotion Tax Credit received. List the claims separately on Part II of the IA 148 Tax Credits Schedule, providing each pass-through name and FEIN in Part IV.

The Ethanol Promotion Tax Credit can be claimed even if the taxpayer also claims the E85 Gasoline Promotion Tax Credit or the E15 Plus Gasoline Promotion Tax Credit for the same ethanol gallons sold.

Any credit in excess of tax liability can be refunded or credited to tax liability for the following year.