



## Iowa Retailer Renewable Fuels Tax Credits for 2025

*(Updated July 2025)*

### **The following Tax Credits were extended, and all expire on December 31, 2027**

**E85 Tax Credit.** A retailer may claim a tax credit on the total gallons of E85 fuel sold in a given tax year. Tax credit is 16 cents per gallon.

**E15 Tax Credit.** The E15 tax credit for blends containing a minimum of 15% ethanol (E15) and a maximum of 69% ethanol (E69.) Tax credit is 9 cents per gallon year-round.

**Biodiesel Blended Fuel Tax Credit.** The tax credit schedule for biodiesel blended fuel gallons is now as follows:

- a. 5 cents per gallon for B11-B19 biodiesel blends
- b. 7 cents per gallon for B20-B29 biodiesel blends
- c. 10 cents per gallon for B30 or higher biodiesel blends

**Biofuel Excise Tax Differential:** Blends have different fuel tax rates. (Subject to annual revision)

### **Biodiesel Rates**

B0-B19: \$0.325 per gallon

B20 and higher: \$0.295 per gallon

B20 Tax differential = \$0.325 - \$0.295 = \$0.030 per gallon

### **Ethanol Rates**

E0-E10: \$0.300 per gallon

E15-E85: \$0.265 per gallon

Tax Differential = \$0.300 - \$0.265 = \$0.035 per gallon

### **Other Non – Tax Credit Updates:**

#### **E15 Access Standard**

In May 2024 the E15 Access Standard was signed into law. The law provides a transition period through December 2025. For additional information see IDALS website [here](#).

#### **Renewable Fuels Infrastructure Program**

Beginning July 1, 2024, standard financial incentives awarded to improve tier sites as defined in the Biofuels Act of 2023 are amended. For additional information see IDALS website [here](#).