

Name(s): _____ SSN or FEIN: _____ Tax period ending date: _____

Pass-through entity (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"/>	2020 GALLONS - Beginning of tax year through 12-31-20			RESERVED FOR FUTURE USE		
	A	B	C (AxB)			
1. E10 gallons sold at retail	1.	10%				
2. E15 gallons sold at retail	2.	15%				
3. E85 gallons sold at retail	3.	79%				
4. Ethanol gallons sold not E10, E15, or E85....	4.	%				
5. Total ethanol sold. Add lines 1 through 4	5.					
6. Non-ethanol gasoline gallons sold	6.					
7. Total gasoline gallons sold at retail Add lines 5 and 6	7.					
8. Biodiesel gallons sold at retail						
a. B2 gallons.....	8a.	2%				
b. B5 gallons.....	8b.	5%				
c. B11 gallons.....	8c.	11%				
d. B20 gallons.....	8d.	20%				
e. Other biodiesel gallons	8e.	%				
9. Total pure biofuel sold. Add lines 5, 8a-8e ..	9.					
10. Biofuel distribution percentage – Divide line 9 by line 7, enter percentage to 4 decimals, e.g. 19.05%	10.	%				
11. Biofuel threshold percentage	11.	25 %				
12. Biofuel threshold percentage disparity – 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



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PART II – Determination of Credit

For Site-by-Site method, provide name and address of Iowa retail fuel site

Name _____

Address _____

City and ZIP _____

Credit calculation for both Company-Wide and Site-by-Site methods	2020 GALLONS Beginning of tax year through 12-31-20 A	RESERVED FOR FUTURE USE
1. Total pure ethanol sold. Enter line 5 of Part I, Column C	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)	_____
3. Credit for ethanol sold. Multiply line 1 by line 2	3. _____	_____

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

- Ethanol Promotion Tax Credits:
Company-Wide method - Line 3 of Part II
Site-by-Site method - Add all line 3's from all Part II's
Enter in column K of Part II on the IA 148 Iowa Tax Credits Schedule 1. _____
- Pass-through Ethanol Promotion Tax Credit from partnership, LLC, S corporation, estate, or trust.
Enter in column K of Part II on the IA 148 Iowa Tax Credits Schedule and complete Part IV on the IA 148 2. _____

IA 148 Iowa Tax Credits Schedule must be completed.



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An Iowa Ethanol Promotion Tax Credit is available to retail dealers of ethanol blended gasoline who operate fuel pumps at an Iowa retail fuel site. Tank wagons are considered retail fuel sites. The credit is repealed January 1, 2021, and is not available for any gallons sold on or after that date.

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.

See Iowa Code section 422.11N and Iowa Administrative Code rules 701—42.39 and 52.36 for more information.

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 fuel site in Iowa eligible for the tax credit. Only one Part III must be completed under either method.

Provide your name, Social Security number (SSN) or Federal Employer Identification Number (FEIN), and tax period ending date. If the Ethanol Promotion Tax Credit was passed through to you by a partnership, LLC, S corporation, estate, or trust, also provide that entity name and FEIN.

If the retailer is a partnership, Limited Liability Company (LLC), S corporation, estate, or trust, this form must be completed and included with the Iowa tax return. The tax credit must be allocated to the members in the ratio of each member's share of the earnings of the entity to the entity's total earnings. On Schedule K-1 or on an attachment to Schedule K-1, report the tax credit for each member and instruct the members to report the apportioned tax credit on line 2 of Part III on the IA 137 and include the form with their income tax returns.

The Ethanol Promotion Tax Credit can be claimed even if the taxpayer also claims the E85 Gasoline Promotion Tax Credit (IA 135) or the E15 Plus Gasoline Promotion Tax Credit (IA 138) for the same ethanol gallons sold.

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

Part I - Determination of Biofuel Distribution Percentage

Calendar year filers:

If you are a taxpayer that files a tax return on a calendar year basis, then report your 2020 gallons.

Fiscal year filers:

If you are a taxpayer that files a tax return for a fiscal year that starts in 2020 and extends into 2021, then only report your gallons sold between the beginning of your tax year through December 31, 2020. Do not report gallons sold in calendar year 2021.

Line 5: Total ethanol sold

Total ethanol is the total number of pure ethanol gallons sold at retail. This is computed on lines 1-4 by multiplying the ethanol blended gallons sold (column A) by the appropriate ethanol content percentage (column B). 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, the ethanol content percentage in line 4, column B, and compute the pure ethanol in column C. If more than one additional blend is sold, provide total other blends sold in line 4, column A and the average ethanol content percentage in line 4, column B.

Line 7: Total gasoline gallons sold

Total gasoline gallons computed in line 7, column A, 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) by the appropriate biodiesel content percentage (column B). For example, 10,000 gallons of biodiesel blended fuel formulated with 11% by volume of biodiesel results in 1,100 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, and the biodiesel content percentage in line 8e, column B. If more than one additional blend is sold, provide total gallons of other blends in line 8e, column A, and the average biodiesel content percentage in line 8e, column B.

Line 10: Biofuel distribution percentage

Divide line 9, column C by line 7, column A for calendar year 2020 sales. Record the result rounding to four decimal places (1/100th of 1%), for example, 19.05%.

Line 11: Biofuel threshold percentage

The tax credit rate applied under the Iowa Ethanol Promotion Tax Credit depends on whether the taxpayer attains the biofuel threshold percentage, which is 25% during the 2020 calendar year.

Line 12: Biofuel threshold percentage disparity

To determine the applicable Iowa Ethanol Promotion Tax Credit rate, the taxpayer subtracts the calculated biofuel distribution percentage on line 10, column A from the biofuel threshold percentage on line 11, column A. Enter zero if line 10 exceeds line 11. If line 11 exceeds line 10 by more than 4.01% for the calendar year, the taxpayer is not eligible to claim the tax 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 Iowa 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 C of Part I.

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

Compute the tax 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.

Company-Wide:

The tax 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 C of Part I.

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

Compute the tax credit for the company on line 3 by multiplying the tax credit rate entered on line 2 by total ethanol sold in line 1.

Part III - Final Credit Calculation

Site-by-Site:

Complete Part III of the IA 137 only once. Add the tax credit calculated for all retail 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 column K of Part II on the IA 148 Iowa Tax Credits Schedule; use tax credit code 64 in column I and leave column J blank.

Company-Wide:

Place the tax credit calculated on line 4 of Part II on Part III line 1 of the IA 137. Individuals and C corporations, enter in column K of Part II on the IA 148 Iowa Tax Credits Schedule; use tax credit code 64 in column I and leave column J blank.

Pass-Through Tax Credits:

If the taxpayer has received any pass-through Iowa Ethanol Promotion Tax Credit from a partnership, LLC, S corporation, estate, or trust, indicate that amount in line 2 of Part III on the IA 137. Also enter the amount in column K of Part II on the IA 148 Tax Credits Schedule; use tax credit code 64 in column I and leave column J blank. Provide the pass-through entity name in column M and FEIN in column N of Part IV on the IA 148 Iowa 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 Iowa Tax Credits Schedule, providing each pass-through entity name and FEIN in Part IV. Include this form and the IA 148 with your IA 1040, IA 1041, or IA 1120.

Include this form with your IA 1065 or IA 1120S.