

E 85 Tax Information

VEETC:

The Volumetric Ethanol Excise Tax (VEETC) extends the ethanol tax incentive through December 31, 2010 at 51 cents per gallon of ethanol. VEETC changed the structure of the tax credit by creating a new ethanol excise tax credit allowing a 51 cent per gallon refundable tax credit on all ethanol blended with all gasoline, diesel and ETBE, including ethanol in E85. Under VEETC all blends of ethanol with gasoline from 1-99% would be allowed the same amount of tax credit at 51 cents per gallon of ethanol (5.1 cents when blended as E10 and 43.35 cents when blended as E85).

Tax Rates:

Ethanol Blended Gasoline: 19¢/gal

E85: Effective July 1, 2007 - 19¢/gal

For more information, visit the Iowa Department of Revenue at:

<http://state.ia.us/tax/taxlaw/taxtypes.html#mvf>

For Quarterly Report Forms go to:

<http://state.ia.us/tax/forms/86002.pdf>

<http://state.ia.us/tax/forms/86003.pdf>