## **BIODIESEL STATE INCENTIVES**



How Midwestern state policies support biodiesel

Many Midwest states offer incentives to encourage the use of biodiesel fuel, with extra incentives for higher biodiesel blends. States with biodiesel incentives reduce carbon emissions and gain significant environmental, health and economic benefits for residents in both rural and urban areas.



**IOWA** 



**ILLINOIS** 



**MISSOURI** 

## State Level Incentives

State excise tax reduction for retailers selling B20+:

■ 3 cents/gallon

State income tax credit for retailers selling these blends:

- B11 = 5 cents/gallon
- B20 = 7 cents/gallon
- B30 = 10 cents/gallon

Sales and use tax refund for biodiesel producers:

2 cents/gallon, up to 25M gallons per year

Sources: Iowa Code 2022 Section 422.11P Iowa Revenue Dept. Chapter 277 Biodiesel blends receive a 6.25% state sales tax exemption at the following levels:

- B10+ in effect since 2003
- B13+ effective April 1, 2024
- B16+ effective April 1, 2025
- B19+ effective April 1, 2026
- B10 is the minimum threshold set for the winter months from December to March

2022 average value of tax exemption = 20.5 cents/gallon

Source: Illinois Senate Bill 1146

Sales tax credit for biodiesel retailers:

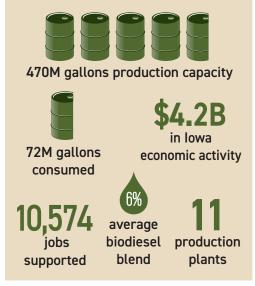
- B5 to B10 = 2 cents/gallon
- B11+ = 5 cents/gallon

Tax credit for qualifying biodiesel producers:

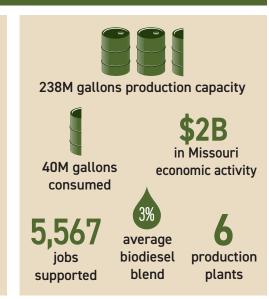
■ 2 cents/gallon

Source: Missouri Senate Bill S160

## **Biodiesel Successes**







Sources: U.S. Energy Information Administration and LMC International: Economic Impact of Biodiesel on the United States Economy 2022.



