

House File 767 - Reprinted

HOUSE FILE 767

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 725)

(SUCCESSOR TO HSB 197)

(As Amended and Passed by the House April 17, 2019)

A BILL FOR

1 An Act relating to motor vehicle taxes and fees, including
2 registration fees for certain electric vehicles, an excise
3 tax on hydrogen used as special fuel, and an excise tax on
4 electricity used as electric fuel, providing penalties,
5 making penalties applicable, and including effective date
6 provisions.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

REGISTRATION FEES FOR ELECTRIC VEHICLES

Section 1. NEW SECTION. 321.116 **Battery electric and plug-in hybrid electric motor vehicle fees.**

1. For each battery electric motor vehicle subject to an annual registration fee under section 321.109, subsection 1, paragraph "a", and operated on the public highways of this state, the owner shall pay an annual battery electric motor vehicle registration fee, which shall be in addition to the annual registration fee imposed for the vehicle under section 321.109, subsection 1, paragraph "a". For purposes of this subsection, "*battery electric motor vehicle*" means a motor vehicle equipped with electrical drivetrain components and not equipped with an internal combustion engine, that is propelled exclusively by one or more electrical motors using electrical energy stored in a battery or other energy storage device that can be recharged by plugging into an electrical outlet or electric vehicle charging station. The amount of the fee shall be as follows:

a. For the period beginning January 1, 2020, and ending December 31, 2020, sixty-five dollars.

b. For the period beginning January 1, 2021, and ending December 31, 2021, ninety-seven dollars and fifty cents.

c. On or after January 1, 2022, one hundred thirty dollars.

2. For each plug-in hybrid electric motor vehicle subject to an annual registration fee under section 321.109, subsection 1, paragraph "a", and operated on the public highways of this state, the owner shall pay an annual plug-in hybrid electric motor vehicle registration fee, which shall be in addition to the annual registration fee imposed for the vehicle under section 321.109, subsection 1, paragraph "a". For purposes of this subsection, "*plug-in hybrid electric motor vehicle*" means a motor vehicle equipped with electrical drivetrain components, an internal combustion engine, and a battery or other energy storage device that can be recharged by plugging into an

1 electrical outlet or electric vehicle charging station. The
2 amount of the fee shall be as follows:

3 *a.* For the period beginning January 1, 2020, and ending
4 December 31, 2020, thirty-two dollars and fifty cents.

5 *b.* For the period beginning January 1, 2021, and ending
6 December 31, 2021, forty-eight dollars and seventy-five cents.

7 *c.* On or after January 1, 2022, sixty-five dollars.

8 Sec. 2. Section 321.117, Code 2019, is amended to read as
9 follows:

10 **321.117 Motorcycle, autocycle, ambulance, and hearse fees.**

11 1. For all motorcycles and autocycles the annual
12 registration fee shall be twenty dollars. For all motorized
13 bicycles the annual registration fee shall be seven dollars.
14 When the motorcycle or autocycle is more than five model
15 years old, the annual registration fee shall be ten dollars.
16 The annual registration fee for ambulances and hearses shall
17 be fifty dollars. Passenger car plates shall be issued for
18 ambulances and hearses.

19 2. In addition to the fee required for a motorcycle under
20 subsection 1, the owner of a motorcycle that is a battery
21 electric motor vehicle or plug-in hybrid electric motor
22 vehicle, as those terms are defined in section 321.116, shall
23 pay an annual electric motorcycle registration fee. The amount
24 of the fee shall be as follows:

25 *a.* For the period beginning January 1, 2020, and ending
26 December 31, 2020, four dollars and fifty cents.

27 *b.* For the period beginning January 1, 2021, and ending
28 December 31, 2021, six dollars and seventy-five cents.

29 *c.* On or after January 1, 2022, nine dollars.

30 Sec. 3. EFFECTIVE DATE. This division of this Act takes
31 effect January 1, 2020.

32 DIVISION II

33 HYDROGEN FUEL EXCISE TAX

34 Sec. 4. Section 452A.2, Code 2019, is amended by adding the
35 following new subsection:

1 NEW SUBSECTION. 20A. *"Fuel supply tank"*, with respect to
2 motor vehicles that use hydrogen as a special fuel, means a
3 motor vehicle's hydrogen fuel cells.

4 Sec. 5. Section 452A.2, subsection 21, Code 2019, is amended
5 by adding the following new paragraph:

6 NEW PARAGRAPH. c. *"Gallon"*, with respect to hydrogen, means
7 a diesel gallon equivalent. A diesel gallon equivalent of
8 hydrogen is two and forty-nine hundredths pounds.

9 Sec. 6. Section 452A.2, subsections 25, 26, 39, and 45, Code
10 2019, are amended to read as follows:

11 25. *"Licensed compressed natural gas, liquefied natural gas,*
12 *and liquefied petroleum gas, and hydrogen dealer"* means a person
13 in the business of handling untaxed compressed natural gas,
14 liquefied natural gas, ~~or~~ liquefied petroleum gas, or hydrogen
15 who delivers any part of the fuel into a fuel supply tank of any
16 motor vehicle.

17 26. *"Licensed compressed natural gas, liquefied natural*
18 *gas, and liquefied petroleum gas, and hydrogen user"* means a
19 person licensed by the department who dispenses compressed
20 natural gas, liquefied natural gas, ~~or~~ liquefied petroleum
21 gas, or hydrogen, upon which the special fuel tax has not been
22 previously paid, for highway use from fuel sources owned and
23 controlled by the person into the fuel supply tank of a motor
24 vehicle, or commercial vehicle owned or controlled by the
25 person.

26 39. *"Special fuel"* means fuel oils and all combustible gases
27 and liquids suitable for the generation of power for propulsion
28 of motor vehicles or turbine-powered aircraft, and includes
29 any substance used for that purpose, except that it does not
30 include motor fuel. Kerosene shall not be considered to be a
31 special fuel, unless blended with other special fuels for use
32 in a motor vehicle with a diesel engine. Methanol shall not
33 be considered to be a special fuel unless blended with other
34 special fuels for use in a motor vehicle with a diesel engine.
35 Hydrogen shall be considered to be a special fuel when used

1 or intended for use in combination with oxygen to generate
2 electricity for propulsion of a motor vehicle.

3 45. "Use", with respect to liquefied petroleum gas, means
4 the receipt, delivery, or placing of liquefied petroleum gas by
5 a licensed liquefied petroleum gas user into a fuel supply tank
6 of a motor vehicle while the vehicle is in the state, except
7 that with. With respect to natural gas used as a special fuel,
8 "use" means the receipt, delivery, or placing of the natural gas
9 into equipment for compressing the gas for subsequent delivery
10 into the fuel supply tank of a motor vehicle while the vehicle
11 is in the state. With respect to hydrogen used as a special
12 fuel, "use" means the receipt, delivery, or placing of hydrogen
13 by a licensed hydrogen user into a fuel supply tank of a motor
14 vehicle while the vehicle is in the state.

15 Sec. 7. Section 452A.3, Code 2019, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 9A. For hydrogen used as a special fuel,
18 the rate of tax is sixty-five cents per gallon.

19 Sec. 8. Section 452A.4, subsection 1, paragraph d, Code
20 2019, is amended to read as follows:

21 d. A dealer's or user's license shall be required for each
22 separate place of business or location where compressed natural
23 gas, liquefied natural gas, or liquefied petroleum gas, or
24 hydrogen is delivered or placed into the fuel supply tank of a
25 motor vehicle.

26 Sec. 9. Section 452A.8, subsection 2, paragraph e,
27 subparagraphs (1), (2), and (3), Code 2019, are amended to read
28 as follows:

29 (1) For purposes of this paragraph "e", "dealer" or "user"
30 means a licensed compressed natural gas, liquefied natural gas,
31 and liquefied petroleum gas, and hydrogen dealer or user and
32 "fuel" means compressed natural gas, liquefied natural gas, or
33 liquefied petroleum gas, or hydrogen.

34 (2) The tax for compressed natural gas, liquefied natural
35 gas, and liquefied petroleum gas, and hydrogen delivered by

1 a licensed dealer for use in this state shall attach at the
2 time of the delivery and shall be collected by the dealer
3 from the purchaser and paid to the department as provided in
4 this chapter. The tax, with respect to compressed natural
5 gas, liquefied natural gas, and liquefied petroleum gas, and
6 hydrogen acquired by a purchaser in any manner other than by
7 delivery by a licensed dealer into a fuel supply tank of a
8 motor vehicle, attaches at the time of the use of the fuel
9 and shall be paid over to the department by the purchaser as
10 provided in this chapter.

11 (3) The department shall adopt rules governing the
12 dispensing of compressed natural gas, liquefied natural gas,
13 and liquefied petroleum gas, and hydrogen by licensed dealers
14 and licensed users. The director may require by rule that
15 reports and returns be filed by electronic transmission. The
16 department shall require that all pumps located at dealer
17 locations and user locations through which liquefied petroleum
18 gas can be dispensed shall be metered, inspected, tested
19 for accuracy, and sealed and licensed by the department of
20 agriculture and land stewardship, and that fuel delivered
21 into the fuel supply tank of any motor vehicle shall be
22 dispensed only through tested metered pumps and may be sold
23 without temperature correction or corrected to a temperature
24 of 60 degrees Fahrenheit. If the metered gallonage is to be
25 temperature-corrected, only a temperature-compensated meter
26 shall be used. Natural gas used as fuel shall be delivered
27 into compressing equipment through sealed meters certified for
28 accuracy by the department of agriculture and land stewardship.
29 Hydrogen used as fuel shall be delivered into the fuel supply
30 tank of any motor vehicle through sealed meters certified for
31 accuracy by the department of agriculture and land stewardship.
32 The department of agriculture and land stewardship may adopt
33 rules pursuant to chapter 17A relating to the certification and
34 accuracy of meters used to deliver hydrogen.

35 Sec. 10. Section 452A.60, subsection 1, Code 2019, is

1 amended to read as follows:

2 1. The department of revenue or the state department of
3 transportation shall prescribe and furnish all forms, as
4 applicable, upon which reports, returns, and applications shall
5 be made and claims for refund presented under this chapter
6 and may prescribe forms of record to be kept by suppliers,
7 restrictive suppliers, importers, exporters, blenders, common
8 carriers, contract carriers, licensed compressed natural
9 gas, liquefied natural gas, ~~and liquefied petroleum gas,~~ and
10 hydrogen dealers and users, terminal operators, nonterminal
11 storage facility operations, and interstate commercial motor
12 vehicle operators.

13 Sec. 11. Section 452A.62, subsection 1, paragraph a,
14 subparagraph (2), Code 2019, is amended to read as follows:

15 (2) A licensed compressed natural gas, liquefied natural
16 gas, ~~or liquefied petroleum gas,~~ or hydrogen dealer, user, or
17 person supplying compressed natural gas, liquefied natural
18 gas, ~~or liquefied petroleum gas,~~ or hydrogen to a licensed
19 compressed natural gas, liquefied natural gas, ~~or liquefied~~
20 petroleum gas, or hydrogen dealer or user.

21 Sec. 12. Section 452A.62, subsection 1, paragraph b, Code
22 2019, is amended to read as follows:

23 *b.* To examine the records, books, papers, receipts, and
24 invoices of any distributor, supplier, restrictive supplier,
25 importer, blender, exporter, terminal operator, nonterminal
26 storage facility, licensed compressed natural gas, liquefied
27 natural gas, ~~or liquefied petroleum gas,~~ or hydrogen dealer or
28 user, or any other person who possesses fuel upon which the tax
29 has not been paid to determine financial responsibility for the
30 payment of the taxes imposed by this chapter.

31 Sec. 13. Section 452A.74, subsection 1, paragraphs e and g,
32 Code 2019, are amended to read as follows:

33 *e.* For any person to act as a supplier, restrictive
34 supplier, importer, exporter, blender, or compressed natural
35 gas, liquefied natural gas, ~~or liquefied petroleum gas,~~ or

1 hydrogen dealer or user without the required license.

2 *g.* For any licensed compressed natural gas, liquefied
3 natural gas, ~~or~~ liquefied petroleum gas, or hydrogen dealer or
4 user to dispense compressed natural gas, liquefied natural gas,
5 ~~or~~ liquefied petroleum gas, or hydrogen into the fuel supply
6 tank of any motor vehicle without collecting the fuel tax.

7 Sec. 14. Section 452A.74, subsection 2, Code 2019, is
8 amended to read as follows:

9 2. Any delivery of compressed natural gas, liquefied
10 natural gas, ~~or~~ liquefied petroleum gas, or hydrogen to a
11 compressed natural gas, liquefied natural gas, ~~or~~ liquefied
12 petroleum gas, or hydrogen dealer or user for the purpose of
13 evading the state tax on compressed natural gas, liquefied
14 natural gas, ~~or~~ liquefied petroleum gas, or hydrogen, into
15 facilities other than those licensed under this chapter knowing
16 that the fuel will be used for highway use shall constitute
17 a violation of this section. Any compressed natural gas,
18 liquefied natural gas, ~~or~~ liquefied petroleum gas, or hydrogen
19 dealer or user for purposes of evading the state tax on
20 compressed natural gas, liquefied natural gas, ~~or~~ liquefied
21 petroleum gas, or hydrogen, who allows a distributor to place
22 compressed natural gas, liquefied natural gas, ~~or~~ liquefied
23 petroleum gas, or hydrogen for highway use in facilities other
24 than those licensed under this chapter, shall also be deemed
25 in violation of this section.

26 Sec. 15. Section 452A.85, subsection 1, Code 2019, is
27 amended to read as follows:

28 1. Persons having title to motor fuel, ethanol blended
29 gasoline, undyed special fuel, compressed natural gas,
30 liquefied natural gas, ~~or~~ liquefied petroleum gas, or hydrogen
31 in storage and held for sale on the effective date of an
32 increase in the excise tax rate imposed on motor fuel, ethanol
33 blended gasoline, undyed special fuel, compressed natural
34 gas, liquefied natural gas, ~~or~~ liquefied petroleum gas, or
35 hydrogen under this chapter shall be subject to an inventory

1 tax based upon the gallonage in storage as of the close of the
2 business day preceding the effective date of the increased
3 excise tax rate of motor fuel, ethanol blended gasoline, undyed
4 special fuel, compressed natural gas, liquefied natural gas, ~~or~~
5 liquefied petroleum gas, or hydrogen which will be subject to
6 the increased excise tax rate.

7 Sec. 16. Section 452A.86, Code 2019, is amended to read as
8 follows:

9 **452A.86 Method of determining gallonage.**

10 The exclusive method of determining gallonage of any
11 purchases or sales of motor fuel, undyed special fuel,
12 or liquefied petroleum gas as defined in [this chapter](#) and
13 distillate fuels shall be on a gross volume basis, except
14 for compressed natural gas, ~~and~~ liquefied natural gas, and
15 hydrogen. The exclusive method of determining gallonage of any
16 purchases or sales of compressed natural gas is the gasoline
17 gallon equivalent, as defined in section 452A.2, subsection
18 21. The exclusive method of determining gallonage of any
19 purchase or sale of liquefied natural gas is the diesel gallon
20 equivalent, as defined in [section 452A.2, subsection 21](#). The
21 exclusive method of determining gallonage of any purchases or
22 sales of hydrogen is the diesel gallon equivalent, as defined
23 in section 452A.2, subsection 21. A temperature-adjusted
24 or other method shall not be used, except as it applies to
25 liquefied petroleum gas and the sale or exchange of petroleum
26 products between petroleum refiners. All invoices, bills of
27 lading, or other records of sale or purchase and all returns
28 or records required to be made, kept, and maintained by a
29 supplier, restrictive supplier, importer, exporter, blender,
30 or compressed natural gas, liquefied natural gas, ~~or~~ liquefied
31 petroleum gas, or hydrogen dealer or user shall be made, kept,
32 and maintained on the gross volume basis. For purposes of
33 this section, "*distillate fuels*" means any fuel oil, gas oil,
34 topped crude oil, or other petroleum oils derived by refining
35 or processing crude oil or unfinished oils which have a boiling

1 range at atmospheric pressure which falls completely or in part
2 between 550 and 1,200 degrees Fahrenheit.

3 Sec. 17. EFFECTIVE DATE. This division of this Act takes
4 effect January 1, 2020.

5 DIVISION III

6 ELECTRIC FUEL EXCISE TAX

7 Sec. 18. Section 312.2, subsection 9, Code 2019, is amended
8 by adding the following new paragraph:

9 NEW PARAGRAPH. c. From the excise tax on electric fuel
10 imposed under the tax rate of section 452A.41, the amount of
11 excise tax collected from fifteen hundredths of one cent per
12 kilowatt hour.

13 Sec. 19. Section 312.2, subsection 10, Code 2019, is amended
14 by adding the following new paragraph:

15 NEW PARAGRAPH. c. From the excise tax on electric fuel
16 imposed under the tax rate of section 452A.41, the amount
17 of excise tax collected from two hundredths of one cent per
18 kilowatt hour.

19 Sec. 20. Section 423.3, subsection 56, Code 2019, is amended
20 to read as follows:

21 56. The sales price from the sale of motor fuel, and
22 special fuel, and electric fuel consumed for highway use or in
23 watercraft or aircraft where the fuel tax has been imposed and
24 paid and no refund has been or will be allowed and the sales
25 price from the sales of ethanol blended gasoline, as defined
26 in [section 214A.1](#).

27 Sec. 21. Section 423B.5, subsection 1, Code 2019, is amended
28 to read as follows:

29 1. A local sales and services tax may be imposed by a
30 county on the sales price taxed by the state under chapter
31 423, subchapter II. A local sales and services tax shall be
32 imposed on the same basis as the state sales and services tax
33 or in the case of the use of natural gas, natural gas service,
34 electricity, or electric service on the same basis as the
35 state use tax and shall not be imposed on the sale of any

1 property or on any service not taxed by the state, except the
2 tax shall not be imposed on the sales price from the sale of
3 motor fuel, ~~or~~ special fuel, or electric fuel, as those terms
4 are defined in chapter 452A, which is consumed for highway use
5 or in watercraft or aircraft if the fuel tax is paid on the
6 transaction and a refund has not or will not be allowed, on the
7 sales price from the sale of equipment by the state department
8 of transportation, or on the sales price from the sale or use
9 of natural gas, natural gas service, electricity, or electric
10 service in a city or county where the sales price from the sale
11 of natural gas or electric energy is subject to a franchise
12 fee or user fee during the period the franchise or user fee
13 is imposed. A local sales and services tax is applicable to
14 transactions within those cities and unincorporated areas of
15 the county where it is imposed, which transactions include
16 but are not limited to sales sourced pursuant to section
17 423.15, 423.17, 423.19, or 423.20, to a location within that
18 city or unincorporated area of the county. The tax shall be
19 collected by all persons required to collect state sales taxes.
20 However, a local sales and services tax is not applicable to
21 transactions sourced under chapter 423 to a place of business,
22 as defined in section 423.1, of a retailer if such place of
23 business is located in part within a city or unincorporated
24 area of the county where the tax is not imposed.

25 Sec. 22. Section 423E.3, subsection 1, Code 2019, is amended
26 to read as follows:

27 1. The tax shall be imposed on the same basis as the state
28 sales and services tax or in the case of the use of natural
29 gas, natural gas service, electricity, or electric service on
30 the same basis as the state use tax and shall not be imposed
31 on the sale of any property or on any service not taxed by the
32 state, except the tax shall not be imposed on the sales price
33 from the sale of motor fuel, ~~or~~ special fuel, or electric fuel,
34 as those terms are defined in chapter 452A, which is consumed
35 for highway use or in watercraft or aircraft if the fuel tax

1 is paid on the transaction and a refund has not or will not
2 be allowed, on the sales price from the sale of equipment by
3 the state department of transportation, or on the sales price
4 from the sale or use of natural gas, natural gas service,
5 electricity, or electric service in a city or county where the
6 sales price from the sale of natural gas or electric energy is
7 subject to a franchise fee or user fee during the period the
8 franchise or user fee is imposed.

9 Sec. 23. NEW SECTION. 452A.40 Definitions.

10 As used in this subchapter, unless the context otherwise
11 requires:

12 1. "*Department*" means the department of revenue.

13 2. "*Electric fuel*" means electrical energy delivered or
14 placed into the battery or other energy storage device of an
15 electric motor vehicle from a source outside the motor vehicle
16 for purposes of propelling the motor vehicle. "*Electric fuel*"
17 shall be deemed motor vehicle fuel for purposes of Article VII,
18 section 8, of the Constitution of the State of Iowa.

19 3. "*Electric motor vehicle*" means a motor vehicle equipped
20 with electrical drivetrain components that has the ability to
21 be propelled, fully or partially, by one or more electrical
22 motors using electrical energy stored in a battery or other
23 energy storage device that can be recharged by plugging into an
24 electrical outlet or electric vehicle charging station.

25 4. "*Licensed electric fuel dealer*" means a person licensed
26 by the department who owns an electric vehicle charging station
27 that dispenses electric fuel, upon which the electric fuel tax
28 has not been previously paid, for highway use into the battery
29 or other energy storage device of an electric motor vehicle in
30 this state at a location other than a residence.

31 5. "*Licensed electric fuel user*" means a person licensed
32 by the department who dispenses electric fuel, upon which the
33 electric fuel tax has not been previously paid, for highway use
34 from a charging station owned and controlled by the person into
35 the battery or other energy storage device of an electric motor

1 vehicle owned or controlled by the person in this state at a
2 location other than a residence.

3 6. "Residence" means the place where a person resides,
4 permanently or temporarily.

5 7. "Use" means the receipt, delivery, or placing of electric
6 fuel by a licensed electric fuel user into the battery or other
7 energy storage device of an electric motor vehicle owned or
8 controlled by the user in this state at a location other than a
9 residence.

10 Sec. 24. NEW SECTION. 452A.41 Levy and collection of excise
11 tax on electric fuel.

12 1. An excise tax of two and six-tenths cents is imposed on
13 each kilowatt hour of electric fuel delivered or placed into
14 the battery or other energy storage device of an electric motor
15 vehicle at a location in this state other than a residence.

16 2. The tax for electric fuel delivered by a licensed
17 electric fuel dealer for use in this state shall attach at the
18 time of the delivery and shall be paid to the department by
19 the licensed electric fuel dealer in a manner prescribed by
20 the department. The tax for electric fuel used by a licensed
21 electric fuel user shall attach at the time of the use of
22 the fuel and shall be paid to the department by the licensed
23 electric fuel user in a manner prescribed by the department.

24 3. The department shall adopt rules governing the
25 dispensing of electric fuel by licensed dealers and users. The
26 director may require by rule that reports and returns be filed
27 by electronic transmission. The department may require by rule
28 that all charging stations located at dealer and user locations
29 through which electric fuel can be dispensed be tested for
30 accuracy.

31 4. a. For the purpose of determining the amount of
32 liability for the electric fuel tax, each dealer and user shall
33 file with the department not later than July 31 for the period
34 beginning January 1 and ending June 30, and not later than
35 January 30 for the period beginning July 1 and ending December

1 30, a biannual tax return certified under penalties for false
2 certification. The return shall show, with reference to each
3 location at which fuel is delivered or placed by the dealer or
4 user into the battery or other energy storage device of any
5 electric motor vehicle during the next preceding six calendar
6 months, information as required by the department. On and
7 after January 1, 2026, the department may require by rule that
8 such tax returns be filed quarterly.

9 *b.* The amount of tax due shall be computed by multiplying
10 the appropriate tax rate per kilowatt hour by the number of
11 kilowatt hours of electric fuel delivered or placed by the
12 dealer or user into the batteries or other energy storage
13 devices of electric motor vehicles.

14 *c.* The return shall be accompanied by remittance in the
15 amount of the tax due for the determination period in which
16 the fuel was placed into the batteries or other energy storage
17 devices of electric motor vehicles.

18 5. Moneys collected under this subchapter by a licensed
19 electric fuel dealer or user are deemed to be held in trust for
20 the state of Iowa.

21 6. This subchapter shall not be construed to require a
22 public utility, as defined in section 476.1, to collect the
23 excise tax on electric fuel or to install a separate electric
24 utility meter or otherwise use utility equipment for purposes
25 related to the excise tax on electric fuel, unless the public
26 utility is a licensed electric fuel dealer or licensed electric
27 fuel user.

28 Sec. 25. NEW SECTION. **452A.42 Electric fuel dealer's and**
29 **user's license.**

30 1. A person shall not sell or dispense electric fuel within
31 this state at a location other than a residence or otherwise
32 act as a licensed electric fuel dealer or user unless the
33 person holds an uncanceled license issued by the department.
34 The holder of an electric fuel dealer's license is authorized
35 to sell and dispense electric fuel, measured in kilowatt hours,

1 to consumers. The holder of an electric fuel user's license
2 is authorized to dispense electric fuel, measured in kilowatt
3 hours, into the batteries or other energy storage devices of
4 electric motor vehicles owned or controlled by the holder.

5 2. To procure a license, a person shall file with the
6 department an application signed under penalty for false
7 certificate setting forth all of the following:

8 a. The name under which the licensee will transact business
9 in this state.

10 b. The location, with street number address, of the
11 principal office or place of business of the licensee within
12 this state.

13 c. The name and complete residence address of the owner
14 or the names and addresses of the partners, if the licensee
15 is a partnership, or the names and addresses of the principal
16 officers, if the licensee is a corporation or association.

17 3. A dealer's or user's license shall be required for each
18 separate place of business or location, other than a residence,
19 where electric fuel is delivered or placed into the battery or
20 other energy storage device of an electric motor vehicle.

21 4. a. The department may deny the issuance of a license to
22 an applicant who is substantially delinquent in the payment of
23 a tax due, or the interest or penalty on the tax, administered
24 by the department. If the applicant is a partnership, a
25 license may be denied if a partner owes any delinquent tax,
26 interest, or penalty. If the applicant is a corporation, a
27 license may be denied if any officer having a substantial legal
28 or equitable interest in the ownership of the corporation owes
29 any delinquent tax, interest, or penalty of the applicant
30 corporation.

31 b. The department may deny the issuance of a license if
32 an application for a license to transact business as a dealer
33 or user in this state is filed by a person whose license or
34 registration has been canceled for cause at any time under the
35 provisions of this chapter or any prior motor fuel tax law, if

1 the department has reason to believe that the application is
2 not filed in good faith, or if the application is filed by some
3 person as a subterfuge for the real person in interest whose
4 license or registration has been canceled for cause under the
5 provisions of this chapter or any prior motor fuel tax law.
6 The applicant shall be given fifteen days' notice in writing of
7 the date of the hearing and shall have the right to appear in
8 person or by counsel and present testimony.

9 5. *a.* The application in proper form having been accepted
10 for filing, and the other conditions and requirements of this
11 section and subchapter IV having been complied with, the
12 department shall issue to the applicant a license to transact
13 business as an electric fuel dealer or user in this state. The
14 license shall remain in full force and effect until canceled as
15 provided in this chapter.

16 *b.* The license shall not be assignable and shall be valid
17 only for the licensee in whose name it is issued.

18 *c.* The department shall keep and file all applications and
19 bonds and a record of all licensees.

20 Sec. 26. NEW SECTION. **452A.43 Records.**

21 1. A licensed electric fuel dealer or user shall maintain,
22 for a period of three years, records of all transactions by
23 which the dealer or user dispenses electric fuel into the
24 batteries or other energy storage devices of electric motor
25 vehicles, including pertinent records and papers as required
26 by the department.

27 2. If in the normal conduct of a dealer's or user's business
28 the records are maintained and kept at an office outside this
29 state, the records shall be made available for audit and
30 examination by the department at the office outside this state,
31 but the audit and examination shall be without expense to this
32 state.

33 3. The department, after an audit and examination of records
34 required to be maintained under this section, may authorize
35 their disposal upon the written request of the dealer or user.

1 Sec. 27. NEW SECTION. **452A.44 Refunds.**

2 1. A person who uses electric fuel for any of the nontaxable
3 purposes set forth in section 452A.17, subsection 1, paragraph
4 "a", for motor fuel and undyed special fuel, and who has paid
5 the electric fuel tax either directly to the department or by
6 having the tax added to the price of the fuel, and who has
7 a refund permit, upon presentation to and approval by the
8 department of a claim for refund, subject to the conditions set
9 forth in section 452A.17, subsection 1, paragraph "b", shall be
10 reimbursed and repaid the amount of the tax which the claimant
11 has paid on the kilowatt hours so used, except that the amount
12 of a refund payable may be applied by the department against
13 any tax liability outstanding on the books of the department
14 against the claimant. Refunds under this section are subject
15 to the limitations and requirements set forth in section
16 452A.17, subsection 3, for motor fuel and undyed special fuel
17 refunds.

18 2. A person shall not claim a refund under this section
19 until the person has obtained a refund permit meeting the
20 requirements of section 452A.18 from the department. The
21 department may revoke a refund permit pursuant to section
22 452A.19.

23 3. Tax collected on electric fuel that is not taxable, or
24 tax collected in excess of the actual amount of tax due, is
25 subject to section 452A.22.

26 Sec. 28. Section 452A.52, Code 2019, is amended to read as
27 follows:

28 **452A.52 Fuels imported in ~~supply tanks of motor vehicles~~ —**
29 **applicability.**

30 1. a. ~~No~~ A person shall not bring into this state in
31 the fuel supply tanks of a commercial motor vehicle, or any
32 other container, regardless of whether ~~or not~~ the supply tanks
33 are connected to the motor of the vehicle, any motor fuel or
34 special fuel to be used in the operation of the vehicle in
35 this state unless that person has paid or made arrangements in

1 advance with the state department of transportation for payment
2 of Iowa fuel taxes on the gallonage consumed in operating the
3 vehicle in this state; ~~except that this subchapter shall not~~
4 ~~apply to a private passenger automobile.~~

5 b. A person shall not bring into this state in the batteries
6 or other energy storage devices of a commercial motor vehicle,
7 or any other energy storage device, regardless of whether the
8 batteries or storage devices are connected to the motor of
9 the vehicle, any electric fuel to be used in the operation
10 of the vehicle in this state unless that person has paid or
11 made arrangements in advance with the state department of
12 transportation for payment of Iowa fuel taxes on the kilowatt
13 hours consumed in operating the vehicle in this state.

14 2. Any person who is unable to display either of the
15 permits or the license provided in [section 452A.53](#) and brings
16 into the state in the fuel supply tanks of a commercial motor
17 vehicle more than thirty gallons of motor fuel or special fuel,
18 or brings into the state in the batteries or other energy
19 storage devices of a commercial motor vehicle more than three
20 hundred fifty kilowatt hours of electric fuel, in violation
21 of [subsection 1](#) commits a simple misdemeanor punishable as
22 a scheduled violation under [section 805.8A, subsection 13,](#)
23 paragraph "c".

24 3. This subchapter shall not apply to a private passenger
25 automobile.

26 Sec. 29. Section 452A.53, subsections 2, 3, and 5, Code
27 2019, are amended to read as follows:

28 2. Persons choosing not to make advance arrangements with
29 the state department of transportation by procuring a permit or
30 license are not relieved of their responsibility to purchase
31 motor fuel, and special fuel, and electric fuel commensurate
32 with their use of the state's highway system. When there
33 is reasonable cause to believe that there is evasion of the
34 fuel tax on commercial motor vehicles, the state department
35 of transportation may audit persons not holding a permit

1 or license. Audits shall be conducted pursuant to section
2 452A.55 and in accordance with international fuel tax agreement
3 guidelines. The state department of transportation shall
4 collect all taxes due and refund any overpayment.

5 3. A permanent international fuel tax agreement permit
6 or license may be obtained upon application to the state
7 department of transportation. A fee of ten dollars shall be
8 charged for each permit or license issued. The holder of
9 a permanent permit or license shall have the privilege of
10 bringing into this state in the fuel supply tanks of commercial
11 motor vehicles any amount of motor fuel or special fuel, or in
12 the batteries or other energy storage devices of commercial
13 motor vehicles any amount of electric fuel, to be used in the
14 operation of the vehicles and for that privilege shall pay
15 Iowa ~~motor fuel or special fuel~~ taxes as provided in section
16 452A.54.

17 5. Each vehicle operated into or through Iowa in interstate
18 operations using motor fuel, ~~or special fuel,~~ or electric fuel
19 acquired in any other state shall carry in or on the vehicle a
20 duplicate or evidence of the permit or license required in this
21 section. A fee not to exceed fifty cents shall be charged for
22 each duplicate or other evidence of a permit or license issued.

23 Sec. 30. Section 452A.54, subsections 1, 2, and 4, Code
24 2019, are amended to read as follows:

25 1. Fuel tax liability under this subchapter shall be
26 computed on the total number of gallons of each kind of
27 motor fuel and special fuel, and the total number of kilowatt
28 hours of electric fuel, consumed in the operation in Iowa by
29 commercial motor vehicles subject to this subchapter at the
30 same rate for each kind of fuel as would be applicable if taxed
31 under subchapter I of this chapter and section 452A.41. A
32 refund against the fuel tax liability so computed shall be
33 allowed, on excess Iowa ~~motor fuel~~ purchased, in the amount
34 of fuel tax paid at the prevailing rate per gallon set out
35 under subchapter I of this chapter on motor fuel and special

1 fuel, and rate per kilowatt hour set out under section 452A.41
 2 on electric fuel, consumed by commercial motor vehicles, the
 3 operation of which is subject to [this subchapter](#).

4 2. Notwithstanding any provision of [this chapter](#) to the
 5 contrary, except as provided in [this section](#), the holder of a
 6 permanent international fuel tax agreement permit or license
 7 may make application to the state department of transportation
 8 for a refund, not later than the last day of the third month
 9 following the quarter in which the overpayment of Iowa fuel
 10 tax paid on excess purchases of motor fuel or special fuel
 11 was reported as provided in [section 452A.8](#), or electric
 12 fuel was reported as provided in section 452A.41, and which
 13 application is supported by such proof as the state department
 14 of transportation may require. The state department of
 15 transportation shall refund Iowa fuel tax paid on motor fuel,
 16 ~~or~~ special fuel, or electric fuel purchased in excess of the
 17 amount consumed by such commercial motor vehicles in their
 18 operation on the highways of this state.

19 4. To determine the amount of fuel taxes due under this
 20 subchapter and to prevent the evasion thereof, the state
 21 department of transportation shall require a quarterly report
 22 on forms prescribed by the state department of transportation.
 23 It shall be filed not later than the last day of the month
 24 following the quarter reported, and each quarter thereafter.
 25 These reports shall be required of all persons who have been
 26 issued a permit or license under [this subchapter](#) and shall
 27 cover actual operation and fuel consumption in Iowa on the
 28 basis of the permit or license holder's average consumption
 29 of fuel in Iowa, determined by the total miles traveled and
 30 the total fuel purchased and consumed for highway use by the
 31 permittee's or licensee's commercial motor vehicles in the
 32 permittee's or licensee's entire operation in all states to
 33 establish an overall miles per gallon ratio or miles per
 34 kilowatt hour ratio, which ratio shall be used to compute the
 35 gallons or kilowatt hours used for the miles traveled in Iowa.

1 Failure to receive a quarterly report or fuel credentials by
2 mail, facsimile transmission, or any other means of delivery
3 does not relieve a person from the person's fuel tax liability
4 or from the requirement to display current fuel credentials.

5 Sec. 31. Section 452A.57, subsections 3, 5, and 8, Code
6 2019, are amended to read as follows:

7 3. "*Commercial motor vehicle*" means a passenger vehicle
8 that has seats for more than nine passengers in addition to
9 the driver, any road tractor, any truck tractor, or any truck
10 having two or more axles which passenger vehicle, road tractor,
11 truck tractor, or truck is propelled on the public highways
12 by ~~either~~ motor fuel, ~~or~~ special fuel, or electric fuel.

13 "*Commercial motor vehicle*" does not include a motor truck with a
14 combined gross weight of less than twenty-six thousand pounds,
15 operated as a part of an identifiable one-way fleet and which
16 is leased for less than thirty days to a lessee for the purpose
17 of moving property which is not owned by the lessor.

18 5. "*Fuel taxes*" means the per gallon and per kilowatt excise
19 taxes imposed under subchapters I and III of this chapter, and
20 section 452A.41, with respect to motor fuel, ~~and~~ undyed special
21 fuel, and electric fuel.

22 8. "*Motor vehicle*" shall mean and include all vehicles,
23 except those operated on rails, which are propelled by internal
24 combustion engines or electric motors and are of such design as
25 to permit their mobile use on public highways for transporting
26 persons or property. A farm tractor while operated on a farm
27 or for the purpose of hauling farm machinery, equipment, or
28 produce shall not be deemed to be a motor vehicle. "*Motor*
29 *vehicle*" shall not include "*mobile machinery and equipment*" as
30 defined in this section.

31 Sec. 32. Section 452A.58, subsection 2, Code 2019, is
32 amended to read as follows:

33 2. A lessor of a commercial motor vehicle shall be deemed
34 a carrier with respect to such vehicles leased to others by
35 the lessor and motor fuel, ~~or~~ special fuel, or electric fuel

1 consumed thereby if the lessor supplies or pays for the motor
2 fuel, ~~or~~ special fuel, or electric fuel consumed by such
3 vehicle or makes rental or other charges calculated to include
4 the cost of such fuel.

5 Sec. 33. Section 452A.59, Code 2019, is amended to read as
6 follows:

7 **452A.59 Administrative rules.**

8 The department of revenue and the state department
9 of transportation are authorized and empowered to adopt
10 rules under chapter 17A, relating to the administration
11 and enforcement of this chapter as deemed necessary by the
12 departments. However, when in the opinion of the director
13 it is necessary for the efficient administration of this
14 chapter, the director may regard persons in possession of motor
15 fuel, special fuel, biofuel, alcohol, or alcohol derivative
16 substances as blenders, dealers, eligible purchasers,
17 exporters, importers, restrictive suppliers, suppliers,
18 terminal operators, or nonterminal storage facility operators,
19 or persons in possession of electric fuel as electric fuel
20 dealers or users.

21 Sec. 34. Section 452A.60, subsection 1, Code 2019, is
22 amended to read as follows:

23 1. The department of revenue or the state department of
24 transportation shall prescribe and furnish all forms, as
25 applicable, upon which reports, returns, and applications shall
26 be made and claims for refund presented under this chapter
27 and may prescribe forms of record to be kept by suppliers,
28 restrictive suppliers, importers, exporters, blenders, common
29 carriers, contract carriers, licensed compressed natural gas,
30 liquefied natural gas, and liquefied petroleum gas dealers
31 and users, licensed electric fuel dealers and users, terminal
32 operators, nonterminal storage facility operations, and
33 interstate commercial motor vehicle operators.

34 Sec. 35. Section 452A.62, subsection 1, paragraph a, Code
35 2019, is amended by adding the following new subparagraph:

1 NEW SUBPARAGRAPH. (5) A licensed electric fuel dealer or
2 user or person supplying electric fuel to a licensed electric
3 fuel dealer or user.

4 Sec. 36. Section 452A.62, subsection 1, paragraph b, Code
5 2019, is amended to read as follows:

6 *b.* To examine the records, books, papers, receipts, and
7 invoices of any distributor, supplier, restrictive supplier,
8 importer, blender, exporter, terminal operator, nonterminal
9 storage facility, licensed compressed natural gas, liquefied
10 natural gas, or liquefied petroleum gas dealer or user,
11 licensed electric fuel dealer or user, or any other person
12 who possesses fuel upon which the tax has not been paid to
13 determine financial responsibility for the payment of the taxes
14 imposed by [this chapter](#).

15 Sec. 37. Section 452A.63, subsection 1, Code 2019, is
16 amended to read as follows:

17 1. All information obtained by the department of revenue or
18 the state department of transportation from the examining of
19 reports, returns, or records required to be filed or kept under
20 this chapter shall be treated as confidential and shall not be
21 divulged except to other state officers, a member or members of
22 the general assembly, or any duly appointed committee of either
23 or both houses of the general assembly, or to a representative
24 of the state having some responsibility in connection with the
25 collection of the taxes imposed or in proceedings brought under
26 this chapter. The appropriate state agency may make available
27 to the public on or before forty-five days following the last
28 day of the month in which the tax is required to be paid, the
29 names of suppliers, restrictive suppliers, and importers and as
30 to each of them the total gallons of motor fuel, undyed special
31 fuel, and ethanol blended gasoline withdrawn from terminals
32 or imported into the state during that month. The department
33 of revenue or the state department of transportation, upon
34 request of officials entrusted with enforcement of the motor
35 fuel tax laws of the federal government or any other state, may

1 forward to these officials any pertinent information which the
2 appropriate state agency may have relative to motor fuel, and
3 special fuel, and electric fuel, provided the officials of the
4 other state furnish like information.

5 Sec. 38. Section 452A.73, Code 2019, is amended to read as
6 follows:

7 **452A.73 Embezzlement of fuel tax money — penalty.**

8 Every sale of motor fuel in this state, and every sale
9 of undyed special fuel dispensed by the seller into a fuel
10 supply tank of a motor vehicle, and every sale of electric
11 fuel dispensed by the seller into the battery or other energy
12 storage device of an electric motor vehicle shall, unless
13 otherwise provided, be presumed to include as a part of the
14 purchase price the fuel tax due the state of Iowa under the
15 provisions of **this chapter**. Every person collecting fuel tax
16 money as part of the selling price of motor fuel, ~~or~~ undyed
17 special fuel, or electric fuel shall hold the tax money in
18 trust for the state of Iowa unless the fuel tax on the fuel
19 has been previously paid to the state of Iowa. Any person
20 receiving fuel tax money in trust and failing to remit it to
21 the department of revenue on or before time required shall be
22 guilty of theft.

23 Sec. 39. Section 452A.74, subsection 1, paragraphs c, e, and
24 f, Code 2019, are amended to read as follows:

25 c. For any seller to issue or any purchaser to receive
26 and retain any incorrect or false invoice or sales ticket in
27 connection with the sale or purchase of motor fuel, ~~or~~ undyed
28 special fuel, or electric fuel.

29 e. For any person to act as a supplier, restrictive
30 supplier, importer, exporter, blender, ~~or~~ compressed natural
31 gas, liquefied natural gas, or liquefied petroleum gas dealer
32 or user, or electric fuel dealer or user without the required
33 license.

34 f. For any person to use motor fuel, undyed special fuel,
35 or dyed special fuel in the fuel supply tank of a vehicle, or

1 electric fuel in the battery or other energy storage device of
2 an electric vehicle, with respect to which the person knowingly
3 has not paid or had charged to the person's account with a
4 distributor or dealer, or with respect to which the person does
5 not, within the time required in [this chapter](#), report and pay
6 the applicable fuel tax.

7 Sec. 40. Section 452A.74, subsection 1, Code 2019, is
8 amended by adding the following new paragraph:

9 NEW PARAGRAPH. *h.* For any licensed electric fuel dealer or
10 user to dispense electric fuel into the battery or other energy
11 storage device of any electric motor vehicle without collecting
12 the fuel tax.

13 Sec. 41. Section 452A.76, subsection 2, Code 2019, is
14 amended to read as follows:

15 2. Authority is given to the department of revenue,
16 the state department of transportation, the department of
17 public safety, and any peace officer as requested by such
18 departments to enforce the provisions of [subchapter I, sections](#)
19 [452A.40 through 452A.44,](#) and [this subchapter](#) ~~of this chapter~~.
20 The department of revenue shall adopt rules providing for
21 enforcement under [subchapter I](#) and [this subchapter](#) ~~of this~~
22 ~~chapter~~ regarding the use of motor fuel or special fuel in
23 implements of husbandry. Enforcement personnel or requested
24 peace officers are authorized to stop a conveyance suspected
25 to be illegally transporting motor fuel or special fuel on
26 the highways, to investigate the cargo, and also have the
27 authority to inspect or test the fuel in the supply tank of a
28 conveyance to determine if legal fuel is being used to power
29 the conveyance. The operator of any vehicle transporting
30 motor fuel or special fuel shall, upon request, produce and
31 offer for inspection the manifest or loading and delivery
32 invoices pertaining to the load and trip in question and shall
33 permit the authority to inspect and measure the contents of
34 the vehicle. If the vehicle operator fails to produce the
35 evidence or if, when produced, the evidence fails to contain

1 the required information and it appears that there is an
2 attempt to evade payment of the fuel tax, the vehicle operator
3 will be subject to the penalty provisions contained in section
4 452A.74A.

5 Sec. 42. Section 452A.78, Code 2019, is amended to read as
6 follows:

7 **452A.78 Other remedies available.**

8 The special remedies provided under the provisions of this
9 chapter to enable the state to collect ~~motor~~ a fuel excise tax
10 imposed by this chapter shall not be construed as depriving the
11 state of any other remedy it might have either at law or in
12 equity independent of this chapter. The state shall have the
13 right to maintain an action at law for the collection of said
14 taxes required to be paid herein and in connection therewith
15 shall be entitled to a writ of attachment without bond.

16 Sec. 43. Section 452A.79, Code 2019, is amended to read as
17 follows:

18 **452A.79 Use of revenue.**

19 Except as provided in sections 452A.79A, 452A.82, and
20 452A.84, the net proceeds of the excise tax on ~~the~~ diesel
21 special fuel, ~~and~~ the excise tax on motor fuel and other
22 special fuel, the excise tax on electric fuel, and penalties
23 collected under the provision of this chapter, shall be
24 credited to the road use tax fund.

25 Sec. 44. Section 452A.80, Code 2019, is amended to read as
26 follows:

27 **452A.80 Microfilm or photographic copies — originals**
28 **destroyed.**

29 The appropriate state agency shall have the power and
30 authority to record, copy, or reproduce by any photographic,
31 photostatic, microfilm, microcard, miniature photographic,
32 or other process which accurately reproduces or forms a
33 durable medium for so reproducing the original of any forms
34 or records pertaining to ~~motor~~ a fuel tax ~~or undyed special~~
35 ~~fuel tax~~ imposed by this chapter, or any paper or document with

1 respect to refund of the tax. If the forms and records have
2 been reproduced in accordance with [this section](#), the state
3 agency may destroy the originals and the reproductions shall
4 be competent evidence in any court in accordance with the
5 provision of [section 622.30](#).

6 Sec. 45. CODE EDITOR DIRECTIVE. The Code editor shall
7 designate sections 452A.40 through 452A.44, as enacted by
8 this division of this Act, as a new subchapter within chapter
9 452A, and may redesignate the new and preexisting subchapters,
10 replace references to sections 452A.40 through 452A.44
11 with references to the new subchapter, and correct internal
12 references as necessary, including references in subchapter
13 headnotes.

14 Sec. 46. EFFECTIVE DATE. This division of this Act takes
15 effect July 1, 2023.