



STATE GRANT AND INCENTIVE BASICS (12/10/2024)

ALASKA:

Ethanol Fuel Blend Tax Rate

The tax rate on fuel containing ethanol is \$0.06 per gallon less than the tax rate on other motor fuels in certain geographic areas. This reduced rate is in effect during months ethanol fuel blends must be sold, transferred, or used to operate motor vehicles to reduce carbon monoxide emissions and attain federal or state air quality standards.

CALIFORNIA:

Low Carbon Fuel Standard

California's Low Carbon Fuel Standard (LCFS) Program requires a reduction in the carbon intensity of transportation fuels that are sold, supplied, or offered for sale in the state through 2030. The California Air Resources Board regulations require transportation fuel producers and importers to meet specified average carbon intensity requirements for fuel. LCFS regulated fuels include natural gas, electricity, hydrogen, gasoline mixed with at least 10% corn-derived ethanol, biomass-based diesel, and propane. Non-biomass-based alternative fuels that are supplied in California for use in transportation at an aggregated volume of less than 3.6 million gasoline gallon equivalents per year are exempt from LCFS requirements. Other exemptions apply for transportation fuel used in specific applications. The LCFS Program allows producers and importers to generate, acquire, transfer, bank, borrow, and trade credits. Fuel producers and importers regulated under the LCFS must meet quarterly and annual reporting requirements. For more information, see the LCFS Program website.

GEORGIA:

Biofuel Production Tax Exemption

The sale of personal property to an alternative fuel facility for the production and processing of ethanol and biodiesel is exempt from the state sales and use tax.

ILLINOIS:

Biofuels Tax Exemption

Through December 31, 2028, a sales and use tax of 6.25% applies to 90% of the proceeds from the sale of fuel blends containing 15% ethanol (E15) and to 80% of the proceeds from the sale of fuel blends

containing between 20% and 50% ethanol. This tax does not apply to the proceeds from the sale of fuel blends containing between 51% and 83% ethanol (E85). If at any time the sales and use tax is 1.25%, the tax on ethanol fuel blends below 51% ethanol will apply to 100% of the proceeds of sales made after December 31, 2028. Taxes will apply to 100% of the proceeds from the sale of all ethanol fuel blends made after December 31, 2028.

IOWA:

Renewable Fuel Infrastructure Program (RFIP)

The Renewable Fuel Infrastructure Program is a cost-share grant program designed for motor fuel retail sites and biodiesel terminal facilities. A primary goal is to assist retail operators of fueling stations with installing, replacing, or converting eligible infrastructure to expand the use of renewable fuels in Iowa. All grant agreements require five-year commitments from awardees.

Ethanol cost-share reimbursements are based on assigning one of three tiers to submitted applications. Approved applications can result in awards of up to \$75,000 per project. Approved biodiesel cost-share applications can result in awards of up to \$50,000 per project, and biodiesel terminal projects can receive up to \$50,000 or \$100,000 per project depending upon the percentage of biodiesel in dispensed blended diesel products.

The Renewable Fuel Infrastructure Board (RFIB) consists of 11 voting members appointed by the Governor of the State of Iowa. The Board reviews all submitted applications. Administrative support is provided by the Iowa Department of Agriculture and Land Stewardship.

To date, the program has distributed or obligated more than \$53.5 million to help fund 346 E85 dispensers/blenders, 427 biodiesel dispensers/blenders, 177 E15 projects, and 152 biodiesel terminals in Iowa.

The grant program is managed by Paul Ovrom, Iowa Department of Agriculture and Land Stewardship, 515-242-6239, paul.ovrom@iowaagriculture.gov.

Laws and Regulations

Alternative Fuel Tax

Alternative fuels used as vehicle fuel are taxed as follows:

- Compressed natural gas is subject to the state fuel excise tax of \$0.31 per gasoline gallon equivalent, measured at 5.66 pounds (lbs.) or 126.67 cubic feet at a base temperature of 60 degrees Fahrenheit and a pressure of 14.73 lbs. per square inch;
- Liquefied natural gas is subject to the excise tax of \$0.325 per diesel gallon equivalent (DGE), measured at 6.06 lbs.;
- Propane is subject to the excise tax of \$0.30 per gallon;
- E85 is subject to the excise tax of \$0.290 per gallon;
- B20 is subject to the excises tax of \$0.295 per gallon;
- B100 is subject to the excise tax of \$0.325 per gallon;
- Hydrogen is subject to the excise tax of \$0.65 per DGE, measured at 2.49 lbs.; and

- Electricity will be subject to the excise tax of \$0.026 per kilowatt-hour of fuel delivered or placed into a battery or other energy storage device of an electric motor vehicle at any location in Iowa other than a residence.

Alternative Fuel Vehicle (AFV) Demonstration Grant Authorization

The Iowa Department of Natural Resources (Department) may award demonstration grants to individuals who purchase vehicles that operate on alternative fuels, including but not limited to E85, biodiesel, compressed natural gas, electricity, solar energy, or hydrogen. Individuals may use the grants to conduct research connected with the fuel or vehicle. Grant funding to purchase the vehicle is available if the Department retains the title of the vehicle, the vehicle is used for research, and the proceeds from the eventual sale of the vehicle are used for additional research. Grants are subject to funding availability.

Alternative Fuel Vehicle Acquisition Requirements

At least 10% of new vehicles purchased by institutions under the control of the state fleet director, including the Iowa Department of Transportation, Board of Directors of Community Colleges, Board of Regents, Commission for the Blind, and Department of Corrections must be capable of operating on alternative fuels. Alternative fuels include E85, B20, natural gas, propane, solar energy, and electricity. Vehicles and trucks purchased and directly used for law enforcement and off-road maintenance work are exempt from this requirement.

The state fleet must fuel diesel vehicles with biodiesel blends between 2% and 99%, and gasoline vehicles with ethanol blends between 15% and 85%. This requirement does not apply if such blends are not approved by the U.S. Environmental Protection Agency or the vehicle manufacturer. Additional exemptions apply. Vehicles that use biodiesel and ethanol blends must display a brightly colored, highly visible renewable fuel sticker. Beginning July 1, 2023, and annually thereafter, the Iowa Department of Administrative Services must submit a report detailing the use of ethanol and biodiesel blends in state fleet vehicles to the governor and Iowa General Assembly.

Biofuel and Renewable Fuel Quality Program

The Iowa Department of Agriculture and Land Stewardship (Department) must establish and administer programs to audit motor fuel facilities, including biofuel processing and production plants, to screen and test motor fuel, including renewable fuel, and to inspect motor fuel sold by dealers, including retail motor fuel dealers. Biofuels include ethanol, biobutanol, and biodiesel. Renewable fuel is defined as a combustible liquid derived from biomass or produced from a biogas source, such as biofuel and biofuel blended with gasoline. The Iowa Central Community College must test motor fuels, biofuels, and renewable fuels to ensure they meet Departmental standards for motor vehicle use.

E85 Fuel Exclusivity Contract Regulations

Any motor fuel franchisor must provide for the delivery of E85 as requested by the motor fuel dealer or allow the franchisee to purchase E85 from another source.

Ethanol Blend Dispenser Requirement

An ethanol retailer selling a blend of at least 9% ethanol by volume must use gasoline storage and dispensing infrastructure that the Iowa Department of Natural Resources and state fire marshal have determined is compatible with the ethanol blend being dispensed. Exceptions may apply.

A gasoline retailer that replaces or converts gasoline storage and dispensing infrastructure to store and dispense a gasoline blend of 15% ethanol by volume (E15) or higher must guarantee the infrastructure is also capable of storing and dispensing E85.

Renewable Fuel Labeling Requirement

Biodiesel, biobutanol, and ethanol blend dispensers must be affixed with decals identifying the type of fuel blend. If fuel blends containing more than 10% ethanol are being dispensed, the decal must include the statement: "For Flexible Fuel Vehicles Only." The Iowa Department of Agriculture and Land Stewardship (Department) may approve applications to place a decal in a special location on a pump with special lettering or colors that are clear and conspicuous to the consumer.

Retail E15 Access Requirements

Beginning January 1, 2026, retail gasoline fueling stations must advertise and sell E15 from at least one gasoline dispenser. The Iowa Department of Agriculture and Land Stewardship may refuse to renew, suspend, or revoke retail fuel licenses for failure to comply with access requirements. Additional requirements and exemptions may apply.

State Incentives

Alternative Fuel Vehicle (AFV) Grants

The Iowa Economic Development Authority (IEDA) provides grants for projects that benefit Iowa ratepayers and support the implementation of the [Iowa Energy Plan](#), including the purchase of AFVs. Eligible applicants include Iowa businesses, colleges and universities, and private and nonprofit organizations. For more information, including eligibility requirements, see the IEDA Iowa [Energy Center Grant Program](#) website.

Biofuel Infrastructure Grants

The Renewable Fuels Infrastructure Program provides financial assistance to qualified 70%-85% ethanol (E85) or dual 15% ethanol (E15) and biodiesel retailers. Cost-share grants are available to upgrade or install new E85 or dual E15 and biodiesel infrastructure. Facilities blending or dispensing E15 or E85 are eligible for grants up to 90% of project costs, up to \$75,000.

Biodiesel distributors may apply for cost-share grants for infrastructure upgrades and installations at biodiesel terminal facilities. Facilities blending or dispensing blends ranging from 2% biodiesel (B2) to 98% biodiesel (B98) are eligible for up to 50% of the total project, up to \$50,000. Facilities blending or dispensing B99 or B100 are eligible for up to 50% of the total project, up to \$100,000.

The Renewable Fuels Infrastructure Board receives administrative support from staff within the Iowa Department of Agriculture and Land Stewardship and has the authority to determine the eligibility of applicants. For more information, refer to the [Renewable Fuels Infrastructure Program](#) website.

(Reference [Iowa Code 159A.13-159A.15](#))

Point of Contact

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E85 Retailer Tax Credit

Retail stations dispensing gasoline fuel blends of E85 for use in motor vehicles may be eligible for a tax credit in the amount of \$0.16 per gallon sold. The tax credit expires after December 31, 2027. Eligible taxpayers may also claim the [mid-level ethanol blend retailer tax credit](#) for the same tax year.

Point of Contact

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Mid-Level Ethanol Blend Retailer Tax Credit

Retail stations dispensing mid-level blends of ethanol, between 15% (E15) and 85% (E85), for use in motor vehicles may be eligible for a tax credit. Credit amounts vary by date. The tax credit expires December 31, 2024.

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KANSAS:

State Incentives

Alternative Fuel Vehicle (AFV) Tax Credit

An income tax credit is available for 40% of the incremental or conversion cost for qualified AFVs, based on gross vehicle weight rating (GVWR) as outlined in the following table:

GVWR	Tax Credit
Less than 10,000 pounds (lbs.)	Up to \$2,400
10,000 to 26,000 lbs.	Up to \$4,000
Over 26,000 lbs.	Up to \$40,000

Alternatively, a tax credit of 5% of the cost of the AFV, up to \$750, is available for the purchase of an original equipment manufacturer AFV. Qualified AFVs include vehicles that operate on a combustible liquid derived from grain starch, oil seed, animal fat, other biomass, or produced from a biogas source. Only the first individual to take title of the vehicle may receive this credit. For motor vehicles capable of operating on E85, the individual claiming the credit must provide evidence of purchasing at least 500 gallons of E85 between the time the vehicle was purchased and December 31, of the following calendar year. Excess credits may be carried over for up to three years after the year in which the expenditures were made. The credit is only available to entities with corporate income tax liability. For more information, see the [Alternative Fuel Tax Credit](#) website.

Alternative Fueling Infrastructure Tax Credit

An income tax credit is available for 40% of the total cost to install alternative fueling infrastructure. Qualified property must be directly related to the delivery of alternative fuel into the fuel tank of an

alternative fuel vehicle. The tax credit may not exceed \$100,000 per fueling station. Alternative fuels are defined as combustible liquids derived from grain starch, oil seed, animal fat, other biomass, or produced from a biogas source. Excess credits may be carried over for up to three years after the year in which the expenditures were made. The credit is only available to entities with corporate income tax liability. For more information, see the [Alternative Fuel Tax Credit](#) website.

Biofuel Blending Equipment Tax Exemption

Qualified equipment used for storing and blending petroleum-based fuel with biodiesel, ethanol, or other biofuel is exempt from state property taxes. The exemption begins at the time of installation at a fuel terminal, refinery, or biofuel production plant, and ends 10 taxable years following the year of installation. Equipment used only for denaturing ethyl alcohol is not eligible.

Biofuel Production Facility Tax Exemption

Any newly constructed or expanded biomass-to-energy facility is exempt from state property taxes for up to 10 taxable years immediately following the taxable year in which construction or installation is completed. A biomass-to-energy facility includes any industrial process plant that uses biomass to produce at least 500,000 gallons of cellulosic alcohol fuel, liquid or gaseous fuel, or other source of energy in a quantity with energy content at least equal to that of 500,000 gallons of cellulosic alcohol fuel. Expansion of an existing biomass-to-energy facility is defined as expansion of the facility's production capacity by a minimum of 10%.

Cellulosic Ethanol Production Financing

The Kansas Development Finance Authority may issue revenue bonds to cover the costs of construction or expansion of a biomass-to-energy facility. A qualifying biomass-to-energy facility includes any industrial process plant that uses biomass to produce at least 500,000 gallons of cellulosic alcohol fuel, liquid or gaseous fuel, or other source of energy in a quantity with energy content at least equal to that of 500,000 gallons of cellulosic alcohol fuel. Expansion of an existing biomass-to-energy facility is defined as expansion of the facility's production capacity by a minimum of 10%.

Renewable Fuel Retailer Tax Incentive

A licensed retail motor fuel dealer may receive a quarterly incentive from the Kansas Retail Dealer Incentive Fund for selling and dispensing renewable fuels, including biodiesel. A qualified motor fuel dealer is eligible for up to \$0.065 for every gallon of renewable fuel sold and up to \$0.03 for every gallon of biodiesel sold, if the required threshold percentage is met. The threshold is determined by calculating the percent of total gasoline sales that are renewable fuel or biodiesel. For renewable fuel, the threshold increased incrementally on an annual basis from 10% in 2009 to 25% beginning on January 1, 2024. For biodiesel, the threshold increases incrementally on an annual basis from 2% in 2009 to 25% in 2025. Renewable fuels are defined as combustible liquids derived from grain starch, oil seed, animal fat, other biomass, or produced from a biogas source.

Laws and Regulations

Biodiesel and Renewable Fuel Definitions

Biodiesel is defined as a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from vegetable oils or animal fats and meets the specifications adopted by rules and regulations of the Kansas Department of Agriculture pursuant to current law. The Kansas specification must meet the [ASTM D6751-07](#) specification for biodiesel fuel (B100) blend stock for distillate fuels but may be more stringent regarding biodiesel quality and usability. Renewable fuels are defined as combustible liquids

derived from grain starch, oil seed, animal fats, or other biomass; or produced from a biogas source, including any non-fossilized, decaying, organic matter capable of powering spark ignition machinery.

Biofuels Use Requirement

State-owned diesel-powered vehicles and equipment must use a biodiesel blend that contains at least 2% biodiesel (B2), where available, as long as the price of the biodiesel blend is not more than \$0.10 per gallon as compared to the price of diesel fuel. Individuals operating state-owned motor vehicles must purchase fuel blends containing at least 10% ethanol (E10), as long as these fuel blends are not more than \$0.10 per gallon as compared to the price per gallon of regular gasoline fuel.

E85 Tax Rate and Definition

The minimum motor vehicle fuel tax rate on E85 is \$0.17 per gallon, compared to the conventional motor fuel tax rate of \$0.24 per gallon. E85 is defined as an alternative fuel that is a blend of denatured ethanol and hydrocarbon and typically contains 85% ethanol by volume, but must contain at least 70% ethanol by volume, and complies with [ASTM](#) Standard D5798-99.

Ethanol Blend Dispenser Requirement

A retail motor fuel dispenser that dispenses fuel containing more than 10% ethanol by volume must be labeled with the capital letter “E” followed by the numerical value representing the volume percentage of ethanol, such as E85, and end with the word “ethanol” as specified in Kansas Department of Agriculture [guidelines\(PDF\)](#).

Flexible Fuel Vehicle (FFV) Acquisition Requirements

State agencies must purchase FFVs unless the desired vehicle model is not available with an E85-capable engine or the incremental cost of the FFV exceeds \$250. When leasing motor vehicles, state agencies must lease FFVs unless no such vehicles are available for lease. Certain restrictions apply.

MINNESOTA:

Laws and Regulations

Alternative Fuel Tax

The Minnesota Department of Revenue imposes an excise tax on the first licensed distributor that receives E85 fuel products in the state and on distributors, special fuel dealers, or bulk purchasers of other alternative fuels. The Minnesota Department of Revenue Commissioner must determine the tax rate for alternative fuel sales annually. The tax rate for E85 is set by the Minnesota Highway Construction Cost Index. Propane is taxed at a minimum rate of \$0.1875 per gallon, liquefied natural gas is taxed at a minimum rate of \$0.15 per gallon, and compressed natural gas is taxed at a minimum rate of \$1.974 per thousand cubic feet. Exemptions apply for certain categories of fuel purchasers.

Biofuel Blend Mandate

All gasoline sold or offered for sale in Minnesota must contain at least: - 10% corn-based ethanol by volume or the maximum percent by volume of corn-based ethanol authorized in a waiver issued by the U.S. Environmental Protection Agency (EPA), whichever is greater; or - 10% other biofuel authorized in an EPA waiver by volume, or a biofuel formulation registered by EPA under Title 42 of the [Code of Federal Regulations](#), section 7545.

Biofuel is defined as renewable fuel with an approved fuel pathway under the Energy Policy Act of 2005, as amended under the Energy Independence and Security Act of 2007.

Any biofuel may be used to meet the standards above, but corn-based ethanol may not comprise less than the following percentages of the total biofuel use in the state by the date specified:

Date	Minimum Amount of Corn-Based Ethanol
January 1, 2020	60%
January 1, 2025	No Minimum

Biofuel Incentive Authorization

The Agricultural Growth, Research, and Innovation Program may offer grants, loans, or other financial incentives to alternative fuel retailers for the installation of ethanol blender pumps or other rural economic infrastructure activities, or to producers of transportation fuels from cellulosic material or bio-based products.

E85 Definition

E85 is defined as a blend of ethanol and gasoline that contains no more than 85% ethanol and is produced for use in alternative fuel vehicles. E85 must comply with [ASTM](#) Standard D5798-11.

Ethanol Fuel Blend Dispensing Regulations

Gasoline blended for use in an alternative fuel vehicle (AFV) may contain any percentage of agriculturally derived, denatured ethanol, up to and including 85% (E85). Ethanol and gasoline blended at the point of retail sale in an ethanol-blending fuel dispenser must be clearly labeled “FLEX-FUEL VEHICLES ONLY.” If a retailer sells both ethanol blends for use in AFVs as well as ethanol blends for use in standard combustion engines, the ethanol blends for use in a standard combustion engine must be dispensed from dedicated hoses, nozzles, or other equipment, and clearly labeled for use in conventional vehicles. Retailers are not responsible for customers’ self-service fueling actions as long as they meet these requirements.

Minnesota Biofuels Replacement Goals

The Minnesota Department of Weights and Measures promotes the replacement of petroleum used in the state with the goal that biofuels will account for at least the specified percentage of all gasoline offered for sale by the dates below:

Calendar Year	Biofuel Replacement Schedule
2020	25%
2025	30%

State Agency Sustainability Plan and Requirements

Each state department or agency must prepare a biennial sustainability plan, that includes ways to modify vehicle use practices, and report annually on progress towards implementing their plan. Each state agency plan must prioritize the purchase of on-road vehicles that use alternative fuels. Vehicle purchasing priority is as follows:

1. Electric vehicles

2. Hybrid electric vehicles
3. Vehicles that use alternative fuels, including biodiesel blends of 20% (B20) or greater, compressed or liquefied natural gas, ethanol blends of 70% (E70) or greater, hydrogen, or propane
4. Gasoline or diesel vehicles

High priority vehicle types may be rejected if the vehicle type is incapable of carrying out its purpose or the total cost of ownership is more than 10% higher than the next vehicle in the preference list.

Emergency and law enforcement vehicles are exempt from this requirement. State agency plans must also, among other things, encourage state employees to fuel vehicles with alternative fuels when available and increase the use of renewable fuels derived from agricultural products or waste products.

State Incentives

Ethanol Production Facility Environmental Assessment Exemption

An ethanol production facility that produces less than 125 million gallons of ethanol annually and is located outside of the seven-county metropolitan area is exempt from preparing an environmental impact statement. In addition, an environmental assessment worksheet is not required for the expansion of an ethanol or biobutanol production facility or for the conversion of an ethanol facility to produce biobutanol. Exceptions may apply.

MISSOURI:

State Incentives

Biodiesel and Ethanol Infrastructure Grants

The Missouri Department of Agriculture (MDA) offers business grants for the development, construction, installation, upgrade, or retrofit of biofuel infrastructure. Ethanol blends must be 15% ethanol (E15) or higher and biodiesel blends must be 6% biodiesel (B6) or higher. Funding is available in the following amounts:

Tier Level	Applicant Type	Allocation of Funds	Application Fee	Maximum Grant (whichever is less)
Tier 1	Terminal company, fuel distributor, or fuel retailer	75%	\$500	50% or \$500,000
Tier 2	Any fuel retailer with five or less stations, fleet operations, or individual businesses	25%	\$300	75% or \$250,000

For more information, including eligibility and how to apply, see MDA's [Biofuel Infrastructure Incentive Program](#) website.

Ethanol Retailer Tax Credit

Retailers that sell ethanol fuel blends containing between 15% ethanol (E15) and 85% ethanol (E85) directly to users are eligible for a state tax credit of \$0.05 per gallon. The tax credit may not exceed the

taxpayer's liability for the taxable year and each year's unused credit amount may be carried forward for up to five taxable years. Additional requirements apply.

MONTANA:

State Incentives

Alternative Fuel Production Property Tax Incentives

Biodiesel, ethanol, renewable diesel, and sustainable aviation fuel production facilities may be eligible for property tax abatements. Additional terms and conditions apply.

Ethanol Production Facility Property Tax Exemption

Equipment used to produce ethanol from grain is exempt from state property taxes during construction of an ethanol manufacturing facility and for 10 years after the manufacturing facility construction is complete.

Ethanol Production Incentive

Montana-based ethanol producers are eligible for a tax incentive of \$0.20 per gallon of ethanol produced solely from Montana agricultural products or ethanol produced from non-Montana agricultural products when Montana products are unavailable. If the producer uses non-Montana based agricultural products, the amount of the tax incentive per gallon is reduced proportionately, based on the percentage of non-Montana based agricultural or wood products used in production. The tax incentive is available to a facility for the first six years from the date production begins and is available for ethanol distributors starting the first quarter after production begins.

Ethanol eligible for the incentive must be blended with gasoline for sale as ethanol-blended gasoline in Montana, exported from Montana for sale as ethanol-blended gasoline, or used in the production of ethyl butyl ether for use in reformulated gasoline. To receive the tax incentive, an ethanol producer must use at least 20% Montana products to produce the ethanol in the first year of production, must use at least 25% Montana products in the second year of production, and must increase the amount of Montana products by 10% each year thereafter.

NEBRASKA:

State Incentives

Alternative Fuel Vehicle (AFV) and Fueling Infrastructure Loans

The Nebraska Energy Office administers the Dollar and Energy Saving Loan Program, which makes low-cost loans available for a variety of alternative fuel projects, including the replacement of conventional vehicles with AFVs; the purchase of new AFVs; the conversion of conventional vehicles to operate on alternative fuels; and the construction or purchase of fueling stations or equipment. The maximum loan amount is \$500,000 per borrower, and the interest rate is 5% or less. For more information, see the Dollar and Energy Saving Loans website.

Ethanol Blending Tax Credit

Beginning January 1, 2022, motor fuel retailers that dispense high-level blends of ethanol in gasoline may be eligible to receive a tax credit. Credit amounts vary by year and blend level and apply to gallons sold in the previous calendar year. Beginning 2024, blends of 15% ethanol (E15) are eligible for \$0.08 per gallon

and blends of 25% ethanol (E25) and higher are eligible for \$0.08 per gallon. Additional conditions apply. The tax credit expires December 31, 2028.

Ethanol and Biodiesel Tax Exemption

Motor fuels sold to an ethanol or biodiesel production facility and motor fuels manufactured at and sold from an ethanol or biodiesel facility are exempt from certain motor fuel tax laws enforced by the Motor Fuels Division of the Nebraska Department of Revenue.

Laws and Regulations

Ethanol Blend Rate

Beginning 2025, the Nebraska Department of Revenue and Department of Environment must issue an annual joint report that identifies the statewide ethanol blend rate. The statewide ethanol blend rate shall be equal to the average percentage of ethanol contained in each gallon of motor fuel sold in Nebraska. Retail dealers must provide a quarterly report of the number of gallons of each type of motor fuel sold and the percentage of ethanol in each gallon to the Department of Revenue.

Retail E15 Access Requirements

Beginning January 1, 2024, newly constructed retail gasoline fueling stations or fueling stations that replace more than 80% of the motor fuel storage and dispensing infrastructure, must advertise and sell E15 from at least 50% of gasoline dispensers. The Nebraska Department of Agriculture and Land Stewardship may refuse to renew, suspend, or revoke retail fuel licenses for failure to comply with access requirements. Additional requirements and exemptions may apply.

NEW YORK:

Alternative Fueling Infrastructure Tax Credit

A state tax credit is available for alternative fuel vehicle fueling infrastructure installed in the state. The tax credit is equal to 50% of the infrastructure cost. This includes infrastructure for storing or dispensing an alternative fuel into a motor vehicle's fuel tank, as well as infrastructure used for charging electric vehicles. Eligible alternative fuels include natural gas, liquefied petroleum gas, hydrogen, electricity, and any other fuel that is at least 85% ethanol or other alcohol. (Reference [New York Tax Law 187-b](#))

NORTH DAKOTA:

State Incentives

Agriculturally-Derived Fuel Production Facility Loan Guarantees

The Bank of North Dakota offers loan guarantees of up to \$400,000 per borrower for eligible entities constructing facilities using biomass for agriculturally-derived fuel production. The total value of loan guarantees under this program may not exceed \$8 million at any one time. Additional restrictions apply. For more information, see the Bank of North Dakota's [Farm Real Estate Loan Guarantee Program](#) website.

(Reference [North Dakota Century Code 6-09.7-01](#) and [6-09.7-09](#))

Biofuel Loan Program

The Biofuels Partnership in Assisting Community Expansion (PACE) Loan Program provides an interest buy down of up to 5% below the note rate to biodiesel, ethanol, or renewable diesel production facilities; livestock operations feeding by-products produced at a biodiesel, ethanol, or renewable diesel facility; and grain handling facilities which provide storage of grain used in biofuels production. Qualified biodiesel, ethanol, and renewable diesel production facilities located in North Dakota may receive up to \$500,000 of interest buy down for the purchase, construction, or expansion of a production facility, or the purchase or installation of equipment at the facility.

Loan terms vary based on the project type, and recipients of Biofuels PACE loans are not eligible for regular PACE loans. For more information, including production facility eligibility requirements, see the [Biofuels PACE Program](#) website.

(Reference [North Dakota Century Code 17-03](#))

Ethanol Production Incentive

The Ethanol Production Incentive provides qualified ethanol producers with quarterly payments based on production volume during times when ethanol prices are unusually low or corn prices are unusually high. The incentive amount is based on the average North Dakota wholesale ethanol price for the preceding quarter and the average North Dakota corn price for the preceding quarter. Qualified facilities include ethanol production facilities constructed after July 31, 2003. Ethanol production facilities in operation before July 1, 1995, are eligible to receive incentive payments if their production increases by 10 million gallons or by 50% of production capacity, whichever is less, during any 12-month period.

The total cumulative incentive available to all eligible producers in any single year is \$1.6 million. A single eligible facility may not receive payments for longer than 10 years or more than \$10 million in incentive payments over the life of the facility. For more information, see the North Dakota Department of Commerce [Ethanol Production Incentive](#) website.

(Reference [North Dakota Century Code 17-02](#))

Point of Contact

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Hydrogen and Advanced Biofuel Incentives

The North Dakota Industrial Commission's Renewable Energy Program provides matching grants and other forms of assistance to support research and development projects involving advanced and sugar-based biofuel, hydrogen, and other renewable technologies. Advanced biofuel is defined as fuel derived from renewable biomass and includes biofuel derived from cellulose, hemicellulose, or lignin; biofuel derived from sugar and starch other than ethanol derived from corn kernel starch; biofuel derived from waste material, including crop residue, other vegetative waste material, animal waste, food waste, and yard waste; diesel-equivalent fuel derived from renewable biomass, including vegetable oil and animal fat; biogas, including landfill gas and sewage waste treatment gas, produced through the conversion of organic matter from renewable biomass; butanol or other alcohols produced through the conversion of organic matter from renewable biomass; and other fuel derived from cellulosic biomass. For more information, see the [Renewable Energy Program](#) website.

OKLAHOMA:

State Incentives

Biofuels Tax Exemption

Biodiesel or other biofuels produced by an individual from feedstocks grown on the individual's property and used in the individual's own vehicle are exempt from the state motor fuel excise tax.

(Reference [Oklahoma Statutes](#) 68-500.4 and 68-500.10)

Ethanol Fuel Retailer Tax Credit

Retailers that sell fuel blends of gasoline containing up to 15% ethanol by volume (E15) are eligible for a motor fuel tax credit of \$0.016 per gallon of ethanol blended into gasoline and sold in Oklahoma, as long as the retailer provides a price reduction to the purchaser of the ethanol fuel in the same amount. This incentive is effective unless the federal government mandates the use of reformulated fuel in an area within Oklahoma that is in nonattainment with the National Ambient Air Quality Standards.

Ethanol Sales Tax Exemption

The portion of ethanol sold and blended with motor fuel is exempt from sales tax.

OREGON:

State Incentives

Alternative Fuel Loans

The Oregon Department of Energy administers the Small-Scale Local Energy Loan Program which offers low-interest loans for qualifying projects. Eligible alternative fuel projects include fuel production facilities, dedicated feedstock production, fueling infrastructure, and fleet vehicles. Loan recipients must complete a loan application and pay a loan application fee. For more information, see the [Energy Loan Program](#) website.

PENNSYLVANIA:

State Incentives

Alternative Fuels Incentive Grant (AFIG) Program

The AFIG Program provides financial assistance for innovative, advanced fuel and vehicle technology projects. Projects that result in product commercialization and the expansion of Pennsylvania companies are favored in the selection process. Eligible applicants include school districts, municipal authorities, political subdivisions, non-profits, corporations, limited liability companies or partnerships incorporated or registered in the Commonwealth. Projects must support:

- Incremental cost expenses relative to retrofitting vehicles to operate on alternative fuels;
- Incremental cost expenses to purchase alternative fuel vehicles;
- The cost to purchase and install the necessary fleet- or home-refueling equipment for alternative fuel vehicles; or,

- The cost to perform research, training, development and demonstration of new applications or next-phase technology related to alternative fuel vehicles.

Eligible applicants include school districts, municipal authorities, political subdivisions, non-profits, corporations, limited liability companies or partnerships incorporated or registered in the Commonwealth. Priority will be given to businesses located in Pennsylvania; zero emission vehicle projects; light- and medium-duty fleet refueling infrastructure projects; renewable natural gas and infrastructure projects; projects located in environmental justice areas; and minority-, veteran-, or woman-owned businesses. For more information, including forms and detailed requirements and restrictions, see the [AFIG Program](#) website.

SOUTH CAROLINA:

State Incentives

Alternative Fuel Project Grants

The South Carolina Office of Regulatory Staff-Energy Office (Energy Office) offers grants of up to \$25,000 for alternative fuel demonstration projects. Eligible applicants include state agencies, local governments, public colleges and universities, K-12 public schools, and non-profit organizations. For more information, including how to apply, see the Energy Office's [Mini-Grant Program](#) website.

Alternative Fuel Vehicle (AFV) Revolving Loan Program for Private Entities

The South Carolina Business Development Corporation provides low interest loans for a variety of energy efficiency improvements, including AFV conversions and incremental costs, with qualified project payback periods. Eligible recipients include businesses and industries. Utilities, non-profit organizations, and government entities may be eligible under special conditions. The loan may cover up to 100% of the project costs, ranging from \$50,000 to \$1 million. Repayment terms vary. For more information, including application deadlines, see the [Energy Efficiency Revolving Loan](#) website.

Alternative Fuel Vehicle (AFV) Revolving Loan Program for Public Entities

The South Carolina Energy Office (SCEO) provides low interest loans for a variety of energy efficiency improvements, including AFV conversions and the incremental costs of a new AFV, with qualified project payback periods. Loans may cover up to 100% of project costs, ranging from \$25,000 to \$500,000 per state fiscal year. Eligible recipients include state agencies, local governments, public colleges and universities, school districts, and private non-profit organizations. State agencies and public educational institutions may combine their loan with a ConserFund Plus grant, which may cover up to 30% of total project costs. For more information, see the [ConserFund](#) website.

Biofuels Distribution Infrastructure Tax Credit

A taxpayer that purchases, constructs, or installs, and places into service a qualified commercial facility for distributing or dispensing biofuels is eligible for an income tax credit of up to 25% for purchase, construction, property, and installation costs. Eligible infrastructure includes pumps, storage tanks, and related equipment used exclusively for distributing, dispensing, and storing biofuels. A qualified facility must clearly label the equipment used to store or dispense the fuel as being associated with biofuel. The credit must be taken in three equal annual installments beginning with the taxable year in which the facility is placed into service. Qualifying fuels include blends containing at least 70% ethanol (E70) dispensed at the retail level for use in motor vehicles, and pure ethanol or biodiesel fuel dispensed by a distributor or facility that blends these non-petroleum liquids with gasoline or diesel fuel for use in motor vehicles.

For more information, see the South Carolina Energy Office [Funding](#) website.

Biofuels Production Tax Credit

Beginning January 1, 2017, qualified biodiesel and ethanol facilities are eligible for an income tax credit of \$0.075 per gallon for new production of biodiesel and ethanol. Biodiesel and ethanol facilities may claim the tax credit for up to 10 million gallons of ethanol and biodiesel produced during a 12-consecutive month period, up to 36 months. Additional terms and conditions apply. For more information, see the South Carolina Energy Office [Funding](#) website.

SOUTH DAKOTA:

State Incentives

Diesel Emission Reduction Grants

The South Dakota Department of Environment and Natural Resources (DENR) administers the Clean Diesel Grant Program for bus diesel emission reduction projects. Projects are funded by South Dakota's portion of the [Volkswagen Environmental Mitigation Trust](#) and the U.S. EPA's [Diesel Emission Reduction Act \(DERA\) Program](#). For more information, including how to apply, see the South Dakota DENR [Clean Diesel Grant Program](#) website.

Ethanol Blend Tax Refund

Beginning January 1, 2025, retailers that sell ethanol fuel blends containing 15% ethanol (E15) are eligible for a tax refund of \$0.05 per gallon. For more information, including how to apply, see the South Dakota Department of Revenue [Motor Fuel Excise Tax](#) website.

TEXAS:

State Incentives

Biofuel Blend Tax Exemption

The biodiesel, renewable diesel, or ethanol portion of blended fuel containing taxable diesel is exempt from the diesel fuel tax. The biodiesel, renewable diesel, or ethanol fuel blend must be clearly identified on the retail pump, storage tank, and sales invoice in order to be eligible for the exemption.

(Reference [Texas Statutes, Tax Code 162.204](#))

Clean School Bus Grants

The Texas Commission on Environmental Quality (TCEQ) administers the Texas Clean School Bus (TCSB) Program as part of the Texas Emissions Reduction Plan (TERP). The TCSB program provides grants to public school districts and charter schools for the incremental costs to replace school buses or install diesel oxidation catalysts, diesel particulate filters, emission-reducing add-on equipment, and other emissions reduction technologies in qualified school buses. For more information, including application periods, see the TCEQ [TERP](#) website.

(Reference [Texas Administrative Code Title 30 Part 1 Chapter 114 Subchapter K Division 4 Rule 114.640-114.648](#) and [Texas Statutes, Health and Safety Code 390](#))

Clean Vehicle and Infrastructure Grants

The Texas Commission on Environmental Quality (TCEQ) administers the Emissions Reduction Incentive Grants (ERIG) Program as part of the Texas Emissions Reduction Plan (TERP). The ERIG program provides grants for various types of clean air projects to improve air quality in the state's nonattainment areas and other affected counties. Eligible projects include those that involve replacement, retrofit, repower, or lease or purchase of new heavy-duty vehicles; alternative fuel dispensing infrastructure; idle reduction and electrification infrastructure; and alternative fuel use. For more information, including application periods, see the TCEQ [TERP](#) website.

VIRGINIA:

State Incentives

Agriculture and Forestry Biofuel Production Grants

The Agriculture and Forestry Industries Development Fund provides grants to promote and develop the agriculture and forestry industry in Virginia and create or expand value-added facilities, including qualified biofuel production facilities. Individual grants may not exceed \$500,000. Eligible applicants include local governments and other Virginia political subdivisions working with qualified businesses. Additional terms and conditions apply. For more information, see the [Virginia Department of Agriculture and Consumer Services](#) website.

FEDERAL:

Alternative Fuel Infrastructure Tax Credit

For alternative fuel vehicle (AFV) infrastructure placed in service prior to January 1, 2023, see the [Pre-2023 Alternative Fuel Infrastructure Tax Credit](#) entry.

Installations Beginning January 1, 2023

The Alternative Fuel Vehicle Refueling Property Credit is available for qualified AFV fueling property installed in qualified locations on or after January 1, 2023, and through December 31, 2032. A single item of 30C property is each charging port or fuel dispenser, as well as each energy storage property for electricity, hydrogen, natural gas, propane, E85, or biodiesel blends of at least 20% (B20+). Components and parts that are essential to the operation of the charging port or fuel dispenser, including labor costs for constructing and installing the property, are also eligible for the 30C credit. Businesses are eligible for a tax credit of:

- 6% of the depreciable costs, up to \$100,000 per item; or,
- 30% of the depreciable costs, up to \$100,000 per item, if the installation meets U.S. Department of Labor [prevailing wage and apprenticeship requirements](#).

For more information, see the [Alternative Fuel Vehicle Refueling Property Credit](#) proposed rule.

Tax exempt entities, including state and local governments, may be eligible to receive this credit in the same amount as businesses, via IRS elective pay provisions. For elective pay eligibility requirements, please see the IRS [Elective Pay and Transferability](#) website.

Consumers who purchase qualified alternative fueling equipment for installation at their principal residence in qualified locations on or after January 1, 2023, and through December 31, 2032, may receive a tax credit of up to 30% of the cost, up to \$1,000.

To be eligible, all qualified fueling equipment also must be installed in a population census tract that is a low-income community or not an urban area. To help determine if an installation location is in a qualified census tract, see the IRS [Guidance on the Qualified Alternative Fuel Vehicle Refueling Property Credit](#) and Argonne National Laboratory's [30C Tax Credit Eligibility Locator](#) tool and list of frequently asked questions.

Additional requirements may apply. For further details, see the IRS [Inflation Reduction Act of 2022](#) website and IRS Form 8911, which is available on the IRS [Forms and Publications](#) website. Additional location eligibility information is available in the IRS [Guidance on Satisfying the Geographical Requirements of the Section 30C Alternative Fuel Vehicle Refueling Property Credit](#). For more information, including frequently asked questions and an eligibility locator map, see the Argonne National Laboratory [Refueling Infrastructure Tax Credit](#) website.

(Reference [26 U.S. Code 30C, 30D, 38, and 6417](#) and [Public Law 117-169](#))

Point of Contact

U.S. Internal Revenue Service
Phone: (800) 829-1040
<http://www.irs.gov/>

Biodiesel Education Grants

Competitive grants are available through the Biodiesel Fuel Education Program (Section 9006) to educate governmental and private entities that operate vehicle fleets, the public, and other interested entities about the benefits of biodiesel use. Eligible applicants are non-profit organizations or institutes of higher education that have demonstrated knowledge of biodiesel fuel production, use, or distribution; and have demonstrated the ability to conduct educational and technical support programs. This program's funding is subject to congressional appropriations. (Reference [Public Laws](#) 113-79 and 112-240, and 7 [U.S. Code](#) 8106)

Point of Contact

Office of Rural Development, Business and Cooperative Programs
U.S. Department of Agriculture
Phone: (202) 690-4730
<https://www.rd.usda.gov/>