RENEWABLE CHEMICAL PRODUCTION TAX CREDIT PROGRAM

IOWA™ Economic Development

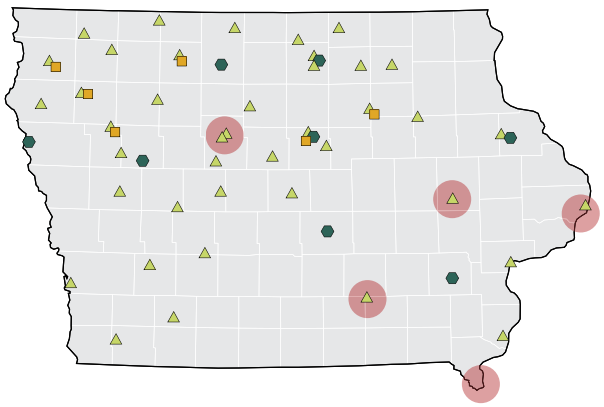
TURNING BIOMASS INTO BUSINESS

Iowa is known as a leader in the biofuels industry, thanks in large part to the abundant natural resources available and the support provided by the state to encourage development. Iowa is also a world leader in the production of both corn and soybeans, the principal feedstocks for the biofuels industry. Another great asset – Iowa produces the nation's second-largest supply of biomass with the ability to harvest 56 million dry tons of biomass annually (total cellulosic and crop biomass). Additionally, Iowa can boast one of the most robust industrial biotechnology infrastructures available in the United States.

These assets present a unique opportunity to advance Iowa's economy by focusing on the use of biomass as feedstocks for the production of building block chemicals.

In 2016, the Renewable Chemical Production Tax Credit Program became law. The program addresses the unique opportunity to advance Iowa's economy by capitalizing on Iowa's strengths in the bioeconomy.

In early 2027, Iowa will launch the Sustainable Aviation Fuel (SAF) Production Tax Credit Program, supporting innovation and investment in the state's robust renewable energy sector and agricultural economy. Updates will be made available at iowaeda.com/sustainable-aviation-fuel-tax-credit.



BY THE NUMBERS

IOWA RANKS

1st IN CORN PRODUCTION

2nd IN SOYBEAN PRODUCTION

Source: USDA, 2025

IOWA HAS THE **2nd** LARGEST SUPPLY OF AVAILABLE BIOMASS

56 MILLION DRY TONS PER YEAR

Source: U.S. Department of Energy, 2023

IOWA LEADS THE NATION IN ETHANOL PRODUCTION WITH

42 FACILITIES

PRODUCING 27% OF THE TOTAL U.S. ETHANOL PRODUCTION

Source: U.S. Energy Information Administration, 2025

IOWA RANKS **1st** IN BIODIESEL PRODUCERS WITH

8 REFINERIES PRODUCING 23% OF THE TOTAL U.S. BIODIESEL PRODUCTION

Source: U.S. Energy Information Administration, 2025

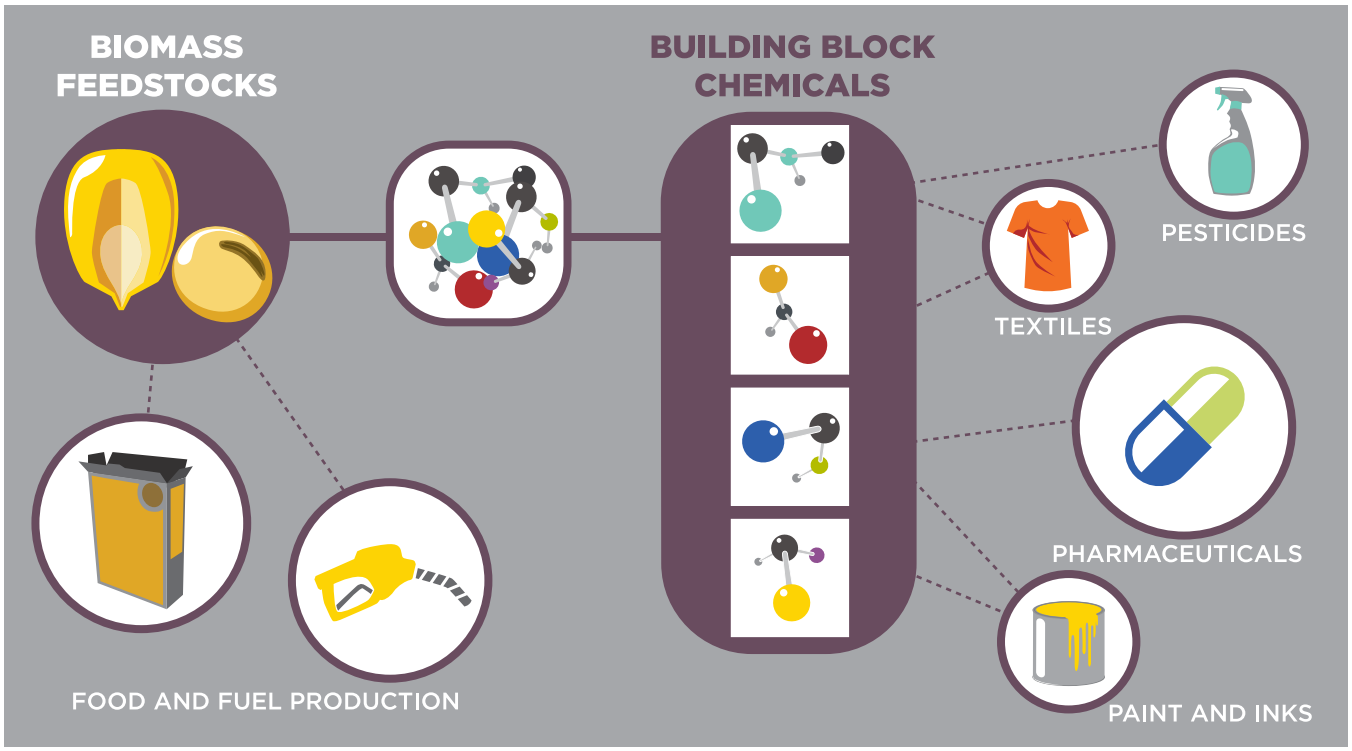
BIORENEWABLE INFRASTRUCTURE

LEGEND

- BIODIESEL FACILITY IN OPERATION
- ETHANOL FACILITY IN OPERATION
- CELLULOSIC/AND TRADITIONAL ETHANOL FACILITY
- INDUSTRIAL BIOPROCESSING PARKS

IOWA ECONOMIC DEVELOPMENT AUTHORITY
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315 USA

International: +1.515.348.6200
Domestic: 1.800.245.4692



HOW IT WORKS

Many of the industrial facilities around the state currently producing food and fuel products from corn, soybeans and other renewable products also produce certain co-products that can be further processed into higher-value basic chemical compounds. These compounds can be further processed into end-use consumer products such as plastics, textiles, paints or pharmaceuticals, to name a few.

The production of such biochemicals is perhaps the fastest-growing segment of the bioscience industry and represents one of Iowa's best opportunities for development of a high-density industry cluster such as Silicon Valley.

PROGRAM DETAILS

In 2004, the U.S. Department of Energy studied the potential for high-value chemicals from biomass feedstocks and identified the chemicals that hold the most market potential. This list forms the foundation of the program that is administered by the Iowa Economic Development Authority.

This program aims to incentivize the production of high-value building block chemicals based on weight ($0.05 per pound produced) with an annual limit of $1 million.

Program rules and application process are available at: iowaeda.com/renewable-chemical-tax-credit.

To speak with a project manager regarding this program, contact the Iowa Economic Development Authority (IEDA)
opportunities@iowaeda.com | **+1.515.348.6200** | **iowaeda.com**

JG 03032026