

RENEWABLE CHEMICAL PRODUCTION TAX CREDIT PROGRAM



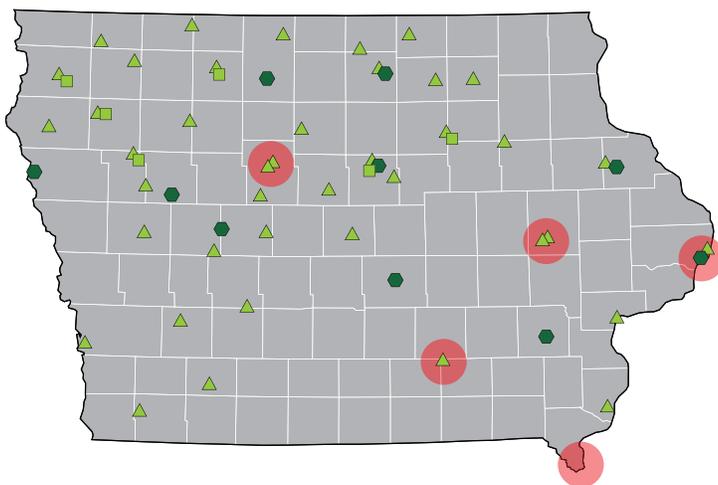
TURNING BIOMASS INTO BUSINESS

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 14.4 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 first-of-its-kind in the nation, the program addresses the unique opportunity to advance Iowa’s economy by capitalizing on Iowa’s strengths in the bioeconomy.

BIORENEWABLE INFRASTRUCTURE IN IOWA



LEGEND

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

BY THE NUMBERS

IOWA RANKS

1st

IN CORN PRODUCTION

2nd

IN SOYBEAN PRODUCTION

Source: USDA, 2020



IOWA HAS THE
2nd

LARGEST SUPPLY OF AVAILABLE BIOMASS
14.4 MILLION DRY TONS PER YEAR

Source: USDA, 2017

IOWA LEADS THE NATION
IN ETHANOL PRODUCTION WITH

42 FACILITIES

PRODUCING 26%
OF THE TOTAL U.S. ETHANOL PRODUCTION

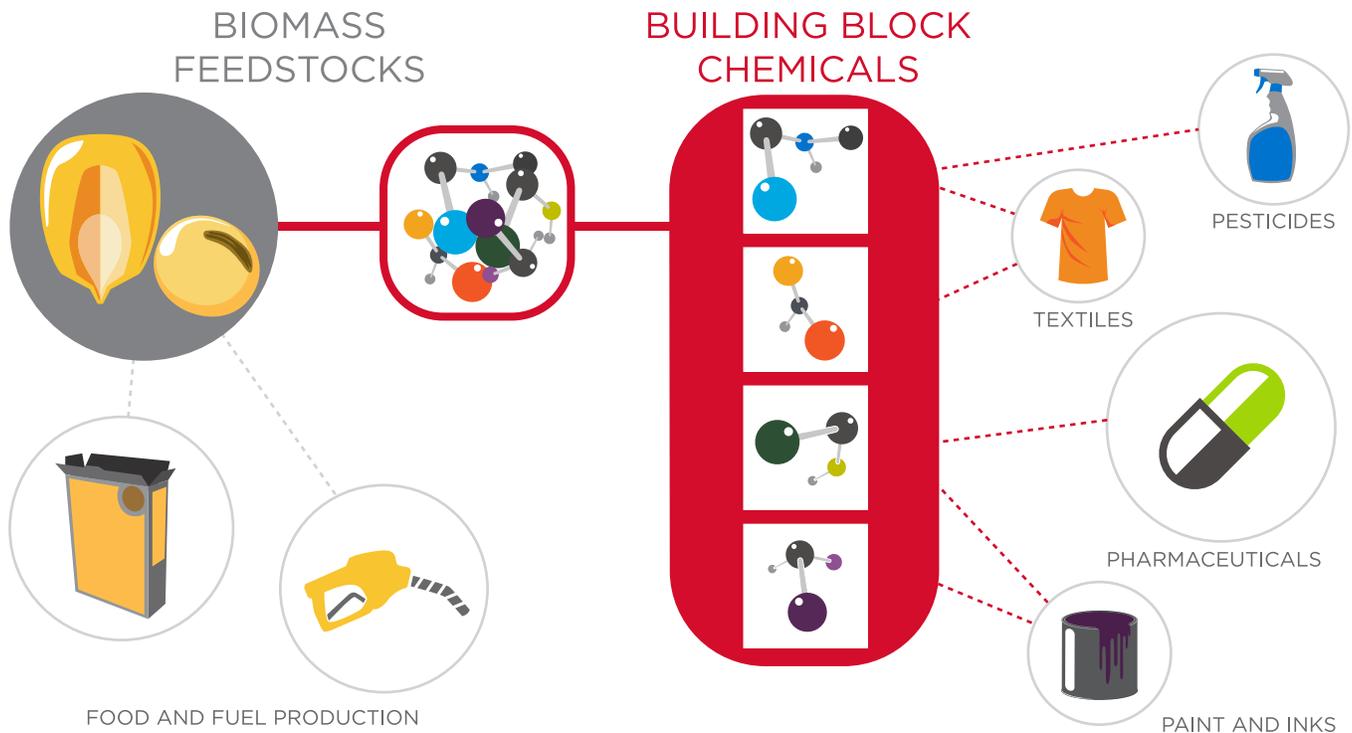
Source: Iowa Renewable Fuels Association, 2020 and EIA, 2020



IOWA RANKS
1st

IN BIODEIESEL PRODUCERS WITH
**10 REFINERIES PRODUCING NEARLY 15%
OF THE TOTAL U.S. BIODEIESEL PRODUCTION**

Source: Iowa Renewable Fuels Association, 2020 and EIA, 2019



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.

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 30 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 annual limits of \$1 million for startups and \$500,000 for established businesses.

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