

# Biodiesel Producer Tax Credit (BPT)

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## Purpose

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This credit is applicable to Missouri biodiesel producers who produce biodiesel fuel in the state of Missouri. (See definitions below.)

## Administering Agency

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Missouri Department of Revenue

## Credit Effective Date

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For all tax years beginning on or after January 1, 2023, a Missouri biodiesel producer shall be allowed a tax credit to be taken against the producer's state income tax liability. For any Missouri biodiesel producer with a tax year beginning prior to January 1, 2023, but ending during the 2023 calendar year, such Missouri biodiesel producer shall be allowed a tax credit for the amount of biodiesel fuel produced during the portion of such tax year that occurs during the 2023 calendar year. The amount of the tax credit shall be two cents per gallon of biodiesel fuel produced by the Missouri biodiesel producer during the tax year for which the tax credit is claimed.

- Example: A qualifying producer's taxable year begins on October 1, 2022 and ends on September 30, 2023. For the tax year ending in calendar year 2023, the producer is eligible for the credit for qualifying biodiesel fuel produced from January 1, 2023 through September 30, 2023.

## Eligible Applicants – Definitions

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**Biodiesel Producer** - A person, firm, or corporation doing business in Missouri that produces biodiesel fuel in this state, is registered with the United States Environmental Protection Agency according to the requirements of 40 CFR Part 79, and has begun construction on such facility or has been selling biodiesel fuel produced at such facility on or before January 2, 2023.

**Biodiesel Fuel** - A renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock. A fuel shall be deemed to be biodiesel fuel if the fuel consists of a pure B100 or B99 ratio. Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this tax credit unless the palm oil is contained within waste oil and grease collected within the United States;

**B99** - A blend of ninety-nine percent biodiesel fuel that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock with a minimum of one-tenth of one percent and maximum of one percent diesel fuel that meets the most recent version of the ASTM International D975 Standard Specification for Diesel Fuel;

## How the Program Works

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Applicants who meet the definitions referenced above, will complete Form 5875 to calculate the Biodiesel Producer Tax Credit as follows:

- Two cents (\$0.02) per gallon of biodiesel fuel produced in the state of Missouri, during the tax year for which the tax credit is claimed.

## Eligible use of the tax credit

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The Biodiesel Producer Tax Credit is applicable to the income tax liability imposed by chapter 143, excluding the withholding tax imposed by sections 143.191 to 143.265, after reduction for all other credits allowed thereon.

## Funding Limits and Due Date

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The cumulative amount of tax credits redeemed by all taxpayers in any fiscal year may not exceed \$5,500,000, which will be authorized on a first-come, first-serve basis.

## How do I claim the credit?

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From Form 5875, Instructions: To claim the Missouri Biodiesel Producer Tax Credit, a Missouri biodiesel producer – through their authorized representative – will complete, sign, and submit Form 5875 with the filing of their Form MO-1040, Form MO-1120, or Form MO-PTE. If the Missouri Biodiesel Producer files a Form MO-1040 (other than a composite return), Form MO-1120, or Form MO-PTE, the Missouri Biodiesel Producer should also report the credit on Form MO-TC so that the credit can first be applied against any individual income tax liability, corporate income tax liability, or pass-through entity tax liability.

If the Missouri biodiesel producer files a Form MO-1065 or Form MO-1120S, but does not file a Form MO-PTE, the Missouri Biodiesel Producer Tax Credit Form 5875 and Form MO-TC should be filed with the Form MO-1065 or Form MO-1120S and will also constitute a claim for refund of the Missouri Biodiesel Producer Tax Credit. Claims filed with a Form MO-1065 or MO-1120S must be submitted with a paper filed return and submitted to the Missouri Department of Revenue, P.O. Box 27, Jefferson City, MO 65105.

The Biodiesel Fuel - Producer Tax Credit cannot be transferred, sold, or assigned. If the amount of the tax credit exceeds the taxpayer's tax liability, the credit will be refunded.

## Forms

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- Form MO-TC, Miscellaneous Tax Credits ([forms/?formName=mo-tc&category=&year=](/forms/?formName=mo-tc&category=&year=))
- Form 5875 – Biodiesel Producer Tax Credit ([forms/5875.pdf](/forms/5875.pdf))
- Section 135.778, RSMo (<https://revisor.mo.gov/main/OneSection.aspx?section=135.778&bid=54099&hl=>)

## Contact Missouri Department of Revenue, Taxation Division

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- Email: [taxcredit@dor.mo.gov](mailto:taxcredit@dor.mo.gov) (<mailto:taxcredit@dor.mo.gov>)
- Phone: 573-751-3220
- Mail: Missouri Department of Revenue, P.O. Box 27, Jefferson City, MO 65013