



Iowa Department of **REVENUE**

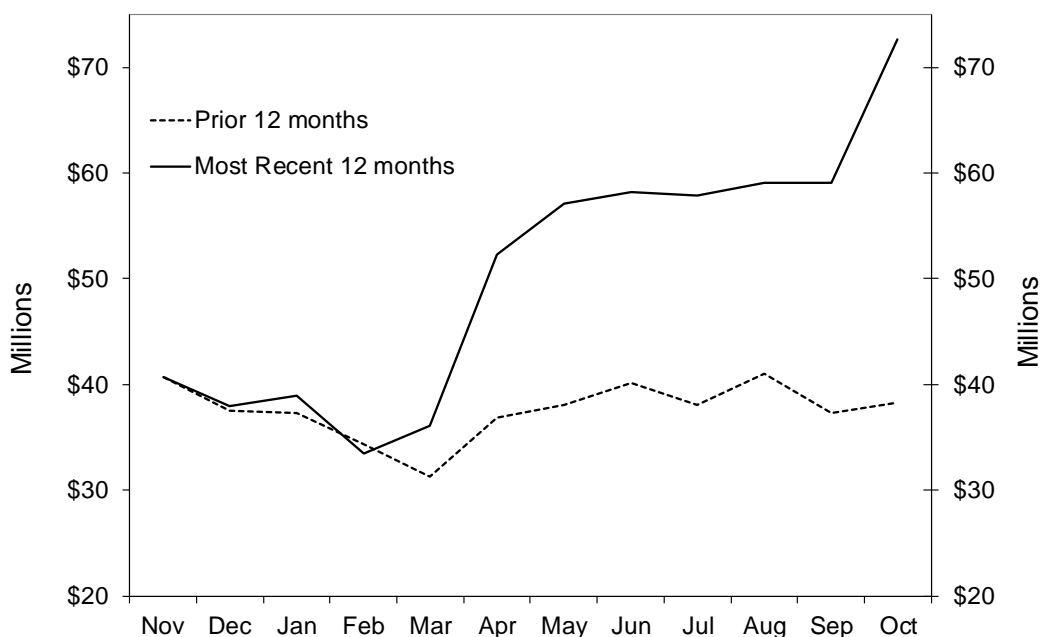
Fuel Tax Monthly Report for October 2015

The Iowa Fuel Tax Monthly Report presents the gross gallons of fuel delivered by Iowa licensed Suppliers, Blenders, Importers, Restrictive Suppliers, and Liquefied Petroleum Gas/Compressed Natural Gas Dealers and Users. The report captures information on a monthly basis and is made available on the Motor Fuel monthly reports page of the [Iowa Department of Revenue website](#). The Monthly Report is available no later than the last working day of the month following the tax reporting period covered in the Monthly Report. For example, information for the tax period June 1 through June 30, which is reported to the Department of Revenue during the reporting period July 1 to July 31, is contained in the July Monthly Report.

Page 3 of the report shows monthly collections for ten fuel types as well as collections from prior tax periods reported as accounts receivable. Fiscal Year-To-Date and Prior Fiscal Year-To-Date collections, refunds and credits, and collections less refunds and credits are also provided, along with the percent change between the two years. Refund claims can be filed throughout the year, while credits are claimed only once a year on annual income tax returns.

Figure 1 compares monthly net collections across the last 24 months. Net collections were \$72.6 million in October 2015, \$34.3 million, or 90 percent, higher than in October 2014. The rise in net collections partly reflects tax rate increases that became effective on March 1, 2015. With a reported 184.1 million taxable gallons of various fuel types subject to the higher tax rates, the estimated increase in collections during October is \$18.7 million. The remaining jump in collections reflects prepayments for November by several large taxpayers.

**Figure 1. Iowa Monthly Fuel Tax Collections Less Refunds and Credits:
Most Recent 12 Months Compared to Prior 12 Months for October 2015**



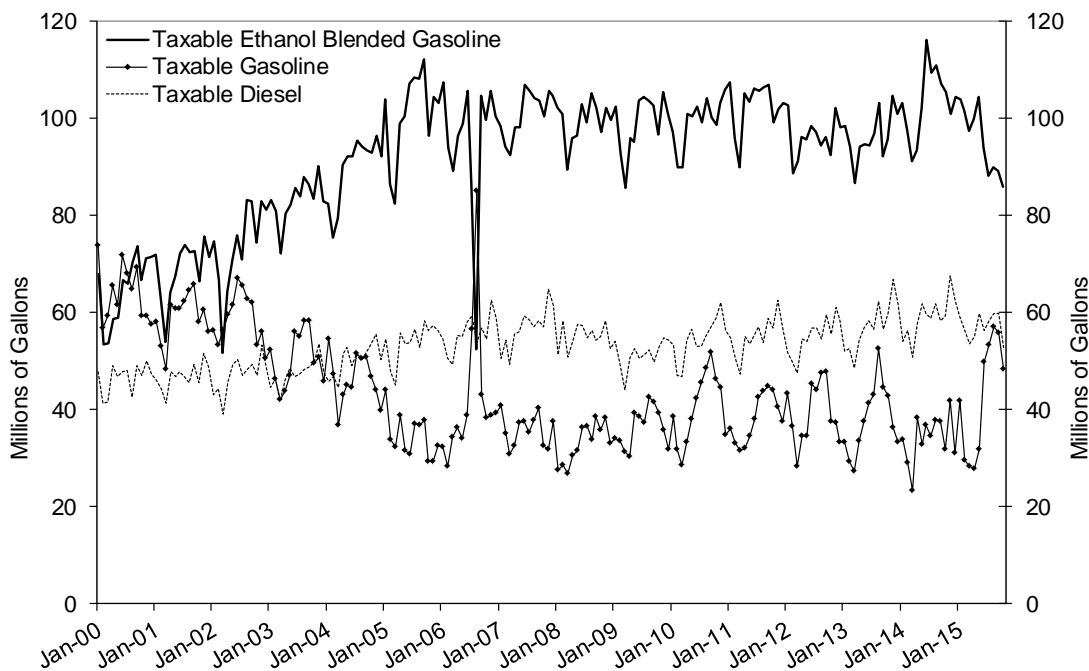
Source: Iowa Department of Revenue

Page 4 of the report shows gross gallons and taxable gallons by fuel type. Exported gallons account for most of the difference between gross and taxable amounts since Iowa exports well over half of the ethanol blended gasoline produced in the state. Though infrequent, the number of taxable gallons may be reported in a month other than that for which taxes are remitted.

Collections and gallon amounts contained in this report are from the Supplier/Terminal or “Rack” level, not the retail level. Further blending of products may occur throughout the fuel distribution chain. This is the case for most E85 (gasoline blended with 70 to 85 percent ethanol) gallons, so the gallons reported for this fuel type are far below the number of retail gallons sold in Iowa.

In 2000, taxable sales of ethanol blended gasoline and gasoline were roughly equal. As Figure 2 shows, demand shifted over the next six years to ethanol blended gasoline, except for August 2006 when a temporary price change drove a brief reversal in demand. Over the last eight years, ethanol blended gasoline has accounted for a monthly average of 73 percent of taxable gallons of motor fuel. Since June 2015, the average percentage of taxable gallons reported as ethanol blended gasoline has fallen to 63 percent, reflecting a change in the manner in which the types of taxable gallons are reported by suppliers. Year-to-year comparisons of ethanol blended gasoline’s share of total taxable gallons should be made with attention to this limitation.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – October 2015



Source: Iowa Department of Revenue

The report also shows a breakdown of the refund dollar amounts by claim type for the month. Refunds are claimed against taxes paid on fuel that is used for non-taxable purposes, such as agricultural or commercial non-highway uses. Refunds are also claimed for excess tax on ethanol blended gasoline, B11 or higher blends, and denaturing alcohol. The excess tax on ethanol blended gasoline refund results when a blender purchases gasoline taxed at 30.8 cents per gallon and collects tax on the resulting ethanol blended gasoline at 29.3 cents per gallon. Therefore, the additional 1.5 cents paid on the gasoline is eligible for refund; similarly for the 3 cent gap between taxes on diesel and B11 or higher blends. The denaturing alcohol refund applies when the denaturant (gasoline) taxed at 30.8 cents per gallon is blended with food grade alcohol to produce ethanol. When a refund of Iowa fuel tax is granted for non-taxable usage, those gallons become subject to Iowa sales tax, unless a sales tax exemption applies. Sales tax collected on those gallons is included at the bottom of the second page of the monthly report.

Iowa Department of Revenue
Fuel Tax Monthly Report
For Gallons Reported on Returns Filed in October 2015

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$19,706,149	\$33,362,739	\$339,825	\$23,829
Collections	Total Remitted	\$53,432,542			
Permit Refunds	Total Refunded	<u>\$3,292,669</u>			
Collections Less Permit Refunds		Current Month \$50,139,873	Fiscal YTD \$169,250,003	Prior FYTD \$102,103,738	Change 65.76%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$224,988	\$21,097,501	\$1,522,810
Collections	Total Remitted	\$22,845,299			
Permit Refunds	Total Refunded	<u>\$371,069</u>			
Collections Less Permit Refunds		Current Month \$22,474,230	Fiscal YTD \$79,518,069	Prior FYTD \$52,645,409	Change 51.04%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$20,302	\$0	\$83,580
Collections	Total Remitted	\$103,882			
Permit Refunds	Total Refunded	<u>\$1,099</u>			
Collections Less Permit Refunds		Current Month \$102,782	Fiscal YTD \$285,573	Prior FYTD \$90,003	Change 217.29%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable	
			\$0	\$3,727
Collections	Total Remitted	<u>\$3,727</u>		
Misc. & Account Receivable		Current Month \$3,727	Fiscal YTD \$14,206	Prior FYTD \$104,349 Change -86.39%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$76,385,450	\$267,369,056	\$166,438,342	60.64%
Refunds				
Permit Refunds Including Interest	\$3,664,838			
Motor Fuel Individual/Corporate Credits	<u>\$134,788</u>			
Total Refunds and Credits	\$3,799,626	\$18,826,372	\$11,835,768	59.06%
Collections Less Permit Refunds and Credits	\$72,585,824	\$248,542,684	\$154,602,574	60.76%

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For Gallons Reported on Returns Filed in October 2015**

MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	56,048,418	237,164,378	1,176,243	228,194	294,617,233
Exported Gallons	6,901,342	150,007,514	294,131	0	157,202,987
Distribution Allowance	784,914	1,316,251	7,100	3,344	2,111,609
Total Taxable Gallons	48,362,162	85,840,613	875,012	224,850	135,302,637
Remitted	\$19,706,149	\$33,362,739	\$339,825	\$23,829	\$53,432,542

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	3,875,827	56,054,395	12,930,418	72,860,640
Exported Gallons	458,129	6,707,348	9,030,312	16,195,789
Distribution Allowance	21,108	341,744	3,558	366,410
Total Taxable Gallons	3,396,590	49,005,303	3,896,548	56,298,441
Remitted	\$224,988	\$21,097,501	\$1,522,810	\$22,845,299

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	76,159	0	270,214
Remitted	\$20,302	\$0	\$83,580

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
9	Agricultural	762	2,260	0	0	3,022
1	Federal Government	878	356	52	0	1,285
9	State Government	13,216	1,430	0	0	14,646
252	Other Political	302,362	49,752	1,047	0	353,161
0	Urban Transit	0	0	0	0	0
0	Regional Transit	0	0	0	0	0
2	Native American	7,496	360	0	0	7,856
1	Contract Carrier	0	982	0	0	982
0	Commercial Fisherman	0	0	0	0	0
0	Home Heating	0	0	0	0	0
0	Extract of Nat'l Deposits	0	0	0	0	0
37	Denaturing Alcohol	2,096,534	0	0	0	2,096,534
92	Commercial	95,470	192,647	0	0	288,117
0	Refund Agent	0	0	0	0	0
11	Transport Diversions	767,886	32,210	0	0	800,095
0	Casualty Losses	0	0	0	0	0
3	Special Fuel Blending	0	1,279	0	0	1,279
9	Excess Tax on Blended Fuel	8,067	89,793	0	0	97,860
426	TOTALS	\$3,292,669	\$371,069	\$1,099	\$0	\$3,664,838

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$76,831