



Iowa Department of **REVENUE**

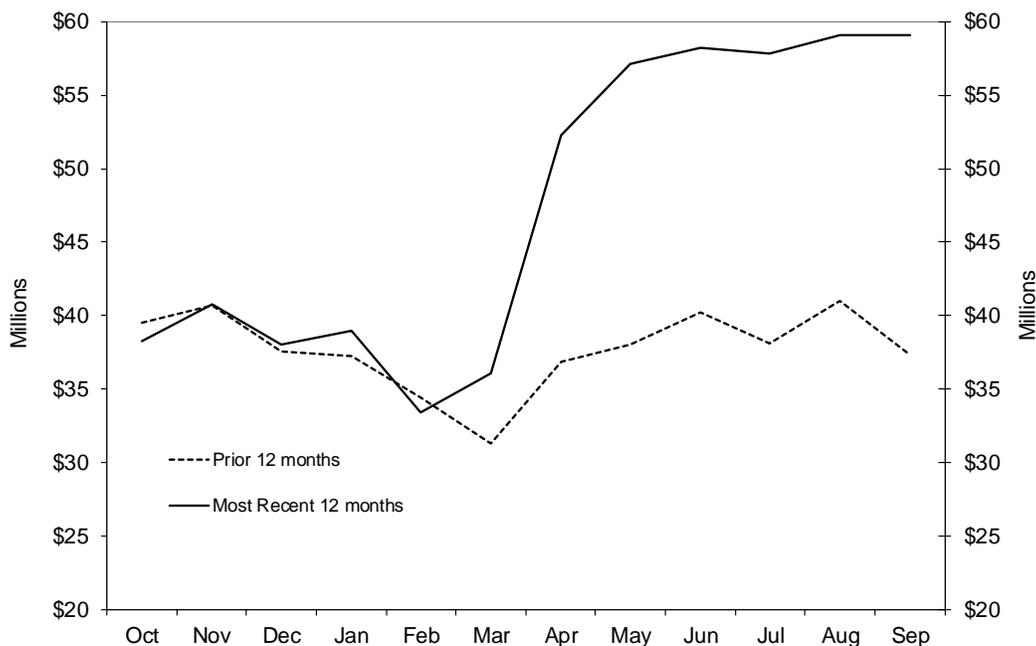
Fuel Tax Monthly Report for September 2015

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 \$59.1 million in September 2015, \$21.8 million higher than in September 2014. The rise in net collections reflects the tax rate increases that became effective on March 1, 2015. With a reported 201.8 million taxable gallons of various fuel types subject to the higher tax rates, including 4.0 million gallons of B11 or higher biodiesel subject to a lower tax rate increase effective July 1, 2015, the estimated increase in collections during the month is \$20.5 million.

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



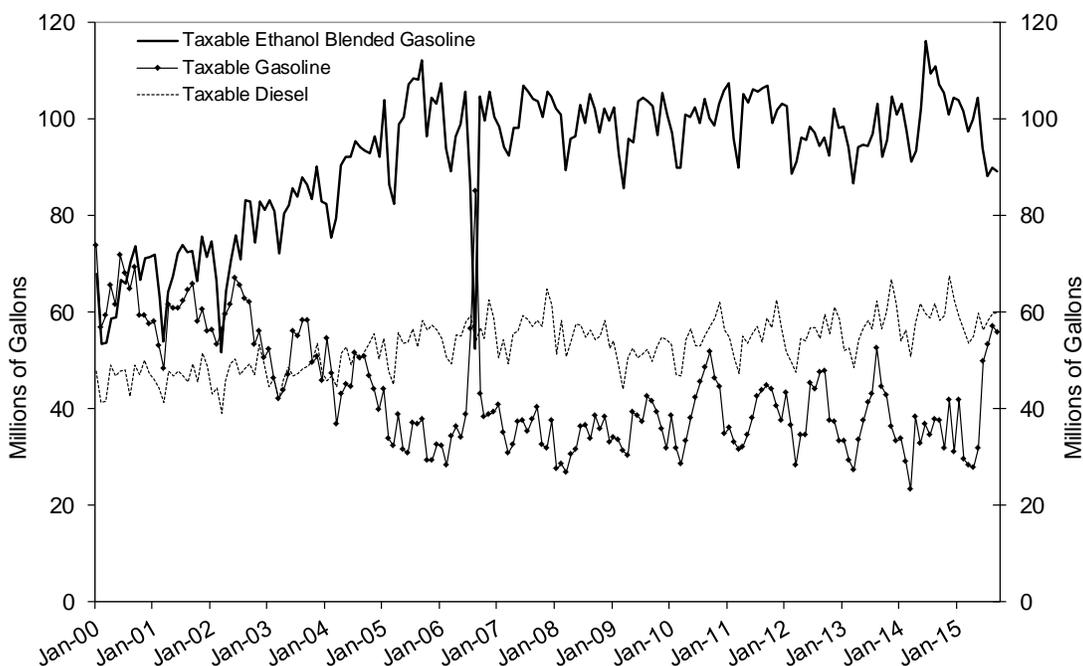
Source: Iowa Department of Revenue

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 – September 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 September 2015

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$17,449,869	\$26,542,773	\$283,071	\$25,775
Collections	Total Remitted	\$44,301,488			
Permit Refunds	Total Refunded	<u>\$4,344,415</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$39,957,073	\$119,110,130	\$77,099,153	54.49%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$181,925	\$18,376,467	\$1,184,468
Collections	Total Remitted	\$19,742,860			
Permit Refunds	Total Refunded	<u>\$580,079</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$19,162,781	\$57,043,839	\$39,420,305	44.71%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$21,194	\$0	\$38,202
Collections	Total Remitted	\$59,396			
Permit Refunds	Total Refunded	<u>\$0</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$59,396	\$182,791	\$62,446	192.72%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable		
			\$0	\$3,352	
Collections	Total Remitted	<u>\$3,352</u>			
Misc. & Account Receivable		Current Month	Fiscal YTD	Prior FYTD	Change
		\$3,352	\$10,479	\$38,115	-72.51%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$64,107,096	\$190,983,606	\$126,057,794	51.50%
Refunds				
Permit Refunds Including Interest	\$4,924,510			
Motor Fuel Individual/Corporate Credits	<u>\$106,494</u>			
Total Refunds and Credits	\$5,031,004	\$15,026,746	\$9,719,697	54.60%
Collections Less Permit Refunds and Credits	\$59,076,092	\$175,956,860	\$116,338,097	51.25%

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For Gallons Reported on Returns Filed in September 2015**

MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	63,426,811	261,171,760	1,311,596	321,854	326,232,021
Exported Gallons	6,696,254	170,464,951	351,046	0	177,512,251
Distribution Allowance	906,046	1,445,716	8,587	4,384	2,364,733
Total Taxable Gallons	55,824,511	89,261,093	951,963	317,470	146,355,037
Remitted	\$17,449,869	\$26,542,773	\$283,071	\$25,775	\$44,301,488

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	3,943,903	67,693,336	14,537,696	86,174,935
Exported Gallons	335,221	11,591,354	10,578,158	22,504,733
Distribution Allowance	23,500	388,279	3,255	415,034
Total Taxable Gallons	3,585,182	55,713,703	3,956,283	63,255,168
Remitted	\$181,925	\$18,376,467	\$1,184,468	\$19,742,860

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	74,051	0	123,235
Remitted	\$21,194	\$0	\$38,202

REFUND SUMMARY**DOLLARS**

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
29	Agricultural	6,684	9,475	0	0	16,159
12	Federal Government	133,778	44,960	0	0	178,738
11	State Government	29,561	479	0	0	30,039
194	Other Political	131,904	63,193	0	15	195,112
0	Urban Transit	0	0	0	0	0
0	Regional Transit	0	0	0	0	0
2	Native American	8,680	353	0	0	9,033
3	Contract Carrier	367	1,951	0	0	2,318
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
47	Denaturing Alcohol	2,776,112	0	0	0	2,776,112
108	Commercial	105,384	309,021	0	0	414,406
0	Refund Agent	0	0	0	0	0
10	Transport Diversions	398,253	71,902	0	0	470,155
0	Casualty Losses	0	0	0	0	0
3	Special Fuel Blending	0	9,308	0	0	9,308
15	Excess Tax on Ethanol Blended Gasoline	753,363	69,437	0	0	822,800
2	Excess Tax on E85	329	0	0	0	329
436	TOTALS	\$4,344,415	\$580,079	\$0	\$16	\$4,924,510

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$136,433