



Iowa Department of **REVENUE**

Fuel Tax Monthly Report for November 2016

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 is published on the Motor Fuel monthly reports page of the [Iowa Department of Revenue website](#). Each month's report is available no later than the last working day of the month following the tax reporting period it covers.

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. While refund claims can be filed throughout the year, credits are claimed once annually on income tax returns.

Figure 1 compares monthly net collections across the last 24 months. Monthly collections were higher than prior year numbers in nine of the last twelve months. Since April 2015, year-over-year growth in net collections has reflected across-the-board tax rate increases that became effective in March 2015. Because these higher tax rates were effective for collections beginning in April 2015, year-over-year differences in net collections since April 2016 mostly reflect changes in consumption. (Small rate changes occurred July 1, 2015 and July 1, 2016.) Net collections in November 2016 were \$61.8 million, representing a 34.2 percent increase from November of the previous year.

**Figure 1. Iowa Monthly Fuel Tax Collections Less Refunds and Credits:
Most Recent 12 Months Compared to Prior 12 Months for November 2016**



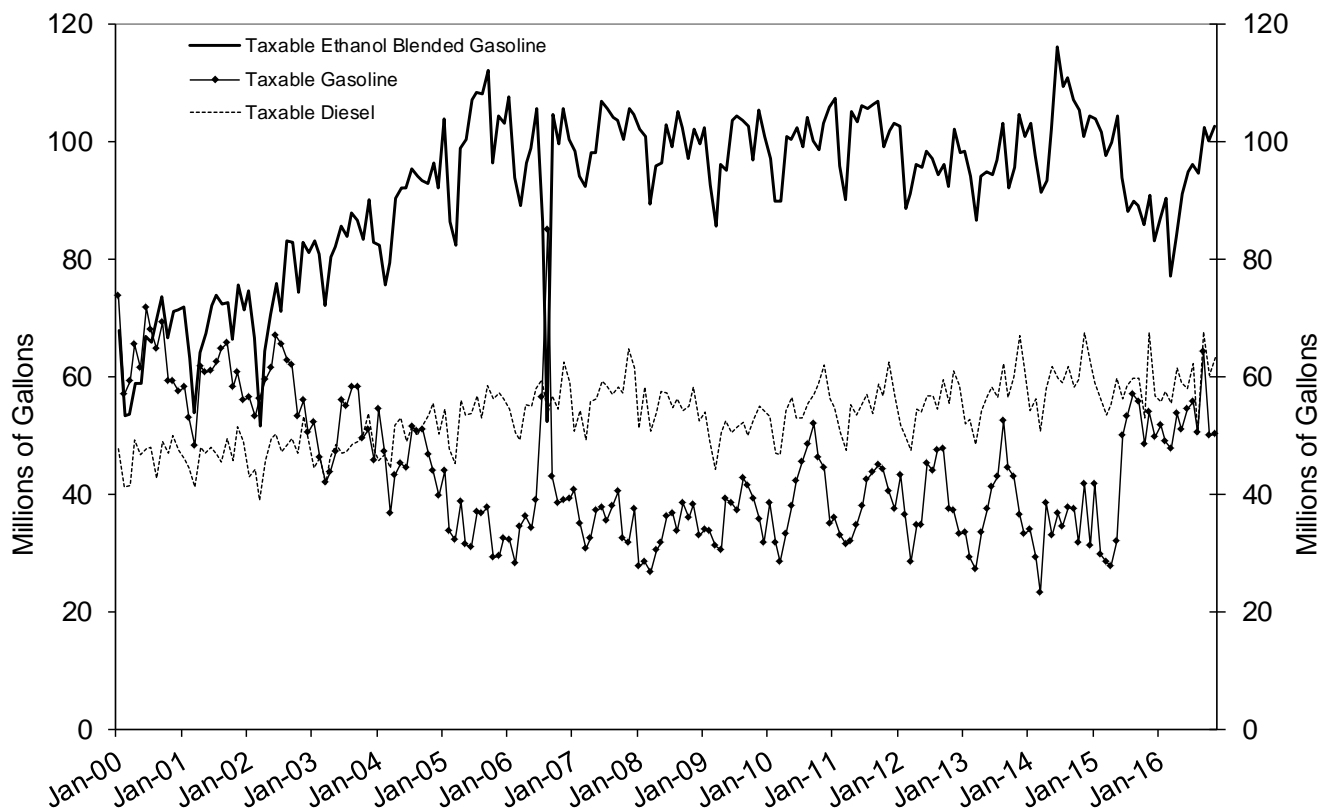
Source: Iowa Department of Revenue

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. Between 2005 and early 2015, ethanol blended gasoline 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. Comparisons of ethanol blended gasoline’s share of total taxable gallons over time should be made with attention to this limitation.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – November 2016



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 blended fuel and denaturing alcohol. The excess tax on blended fuel refund results when a blender purchases gasoline taxed at 30.7 cents per gallon and collects tax on the resulting ethanol blended gasoline at 29.0 cents per gallon. Therefore, the additional 1.7 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 30.7 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 final page of the monthly report.

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For Gallons Reported on Returns Filed in November 2016**

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$16,022,925	\$30,911,832	\$135,323	\$15,402
Collections	Total Remitted	\$47,085,482			
Permit Refunds	Total Refunded	<u>\$5,492,629</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$41,592,853	\$207,187,970	\$199,220,927	4.00%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$152,016	\$19,770,792	\$1,462,592
Collections	Total Remitted	\$21,385,400			
Permit Refunds	Total Refunded	<u>\$1,081,247</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$20,304,153	\$93,959,191	\$95,576,649	-1.69%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$22,474	\$0	\$68,313
Collections	Total Remitted	\$90,788			
Permit Refunds	Total Refunded	<u>\$33,263</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$57,525	\$388,820	\$396,831	-2.02%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable		
			\$0	\$5,653	
Collections	Total Remitted	<u>\$5,653</u>			
Misc. & Account Receivable		Current Month	Fiscal YTD	Prior FYTD	Change
		\$5,653	\$230,597	\$15,096	1427.54%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$68,567,323	\$329,628,169	\$317,610,207	3.78%
Refunds				
Permit Refunds Including Interest	\$6,607,152			
Motor Fuel Individual/Corporate Credits	<u>\$138,523</u>			
Total Refunds and Credits	\$6,745,675	\$28,585,088	\$22,983,862	24.37%
Collections Less Permit Refunds and Credits	\$61,821,648	\$301,043,081	\$294,626,345	2.18%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	56,128,996	254,259,949	690,599	187,652	311,267,196
Exported Gallons	5,055,264	150,006,920	236,501	0	155,298,685
Distribution Allowance	814,682	1,622,726	4,721	2,226	2,444,355
Total Taxable Gallons	50,259,050	102,630,303	449,377	185,426	153,524,156
Remitted	\$16,022,925	\$30,911,832	\$135,323	\$15,402	\$47,085,482

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	3,108,717	69,901,713	13,101,689	86,112,119
Exported Gallons	207,899	10,911,952	8,321,053	19,440,904
Distribution Allowance	11,347	408,385	6,190	425,922
Total Taxable Gallons	2,889,471	58,581,376	4,774,446	66,245,293
Remitted	\$152,016	\$19,770,792	\$1,462,592	\$21,385,400

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	67,404	0	227,359
Remitted	\$22,474	\$0	\$68,313

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
31	Agricultural	3,934	13,355	0	0	17,289
14	Federal Government	84,940	13,650	118	0	98,708
14	State Government	153,527	8,096	0	0	161,623
140	Other Political	195,355	39,141	3,097	0	237,593
0	Urban Transit	0	0	0	0	0
0	Regional Transit	0	0	0	0	0
0	Native American	0	0	0	0	0
0	Contract Carrier	0	0	0	0	0
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
46	Denaturing Alcohol	2,203,124	0	0	0	2,203,124
100	Commercial	72,128	371,075	30,048	13	473,264
0	Refund Agent	0	0	0	0	0
9	Transport Diversions	2,372,962	11,597	0	0	2,384,559
0	Casualty Losses	0	0	0	0	0
3	Special Fuel Blending	0	11,739	0	0	11,739
24	Excess Tax on Blended Fuel	406,659	612,594	0	0	1,019,253
381	TOTALS	\$5,492,629	\$1,081,247	\$33,263	\$13	\$6,607,152

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$146,442