



Iowa Department of **REVENUE**

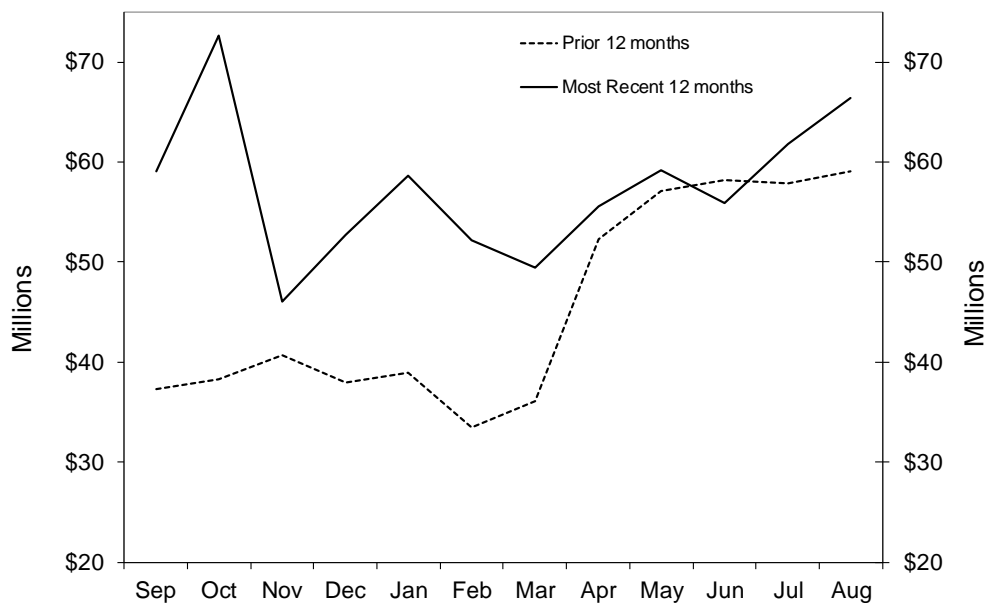
Fuel Tax Monthly Report for August 2016

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 eleven 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 August 2016 were \$66.4 million, representing a 7.4 percent increase over August 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 August 2016**



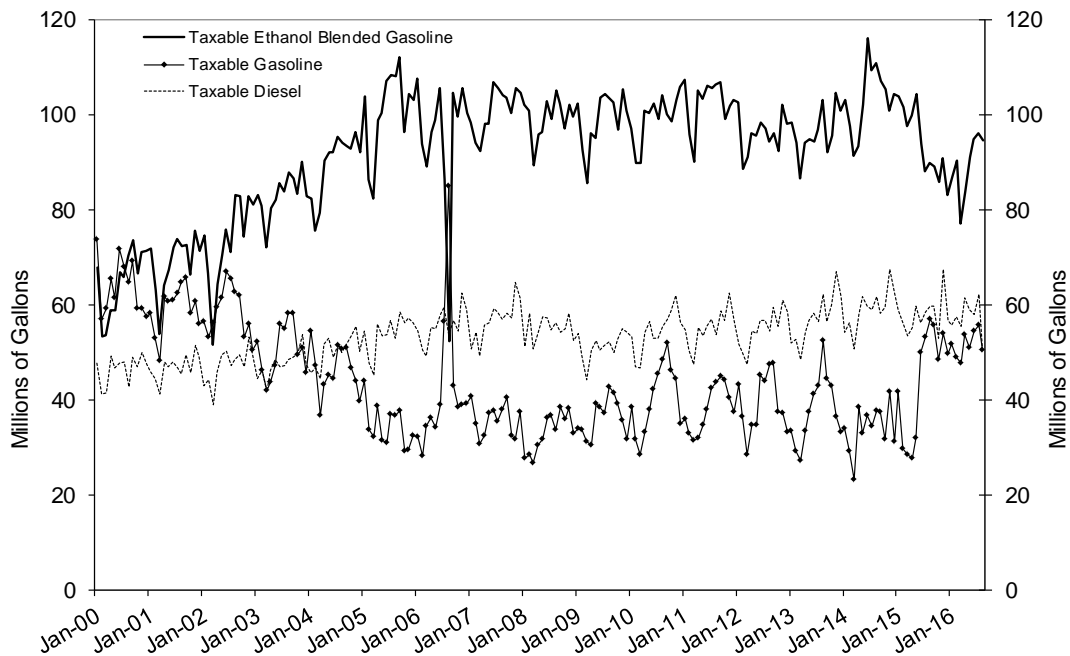
Source: Iowa Department of Revenue

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 should be made with attention to this limitation.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – August 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. The August 2016 Iowa Fuel Tax Monthly Report measures refunds issued between June 26 and July 25. The Department issued significant motor fuel tax refunds on July 26. Therefore, these refunds do not appear in the August 2016 monthly report. Such refunds will appear in the September 2016 report. 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.

**Iowa Department of Revenue
Fuel Tax Monthly Report
For Gallons Reported on Returns Filed in August 2016**

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$17,328,599	\$30,690,204	\$138,328	\$28,284
Collections	Total Remitted	\$48,185,415			
Permit Refunds	Total Refunded	<u>\$36,089</u>			
Collections Less Permit Refunds		Current Month \$48,149,326	Fiscal YTD \$90,394,872	Prior FYTD \$79,153,057	Change 14.20%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$243,433	\$16,582,582	\$1,480,670
Collections	Total Remitted	\$18,306,685			
Permit Refunds	Total Refunded	<u>\$37,863</u>			
Collections Less Permit Refunds		Current Month \$18,268,822	Fiscal YTD \$37,891,570	Prior FYTD \$37,881,058	Change 0.03%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$15,488	\$0	\$85,871
Collections	Total Remitted	\$101,359			
Permit Refunds	Total Refunded	<u>\$0</u>			
Collections Less Permit Refunds		Current Month \$101,359	Fiscal YTD \$168,994	Prior FYTD \$123,395	Change 36.95%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable		
			\$0	\$2,611	
Collections	Total Remitted	<u>\$2,611</u>			
Misc. & Account Receivable		Current Month \$2,611	Fiscal YTD \$5,524	Prior FYTD \$7,127	Change -22.49%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$66,596,070	\$132,684,165	\$126,875,510	4.58%
Refunds				
Permit Refunds Including Interest	\$73,952			
Motor Fuel Individual/Corporate Credits	<u>\$105,941</u>			
Total Refunds and Credits	\$179,893	\$4,477,686	\$9,995,742	-55.20%
Collections Less Permit Refunds and Credits	\$66,416,177	\$128,206,479	\$116,879,768	9.69%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	57,511,073	266,964,712	562,672	320,587	325,359,044
Exported Gallons	6,161,677	170,713,848	131,483	0	177,007,008
Distribution Allowance	819,253	1,501,567	4,101	4,009	2,328,930
Total Taxable Gallons	50,530,143	94,749,297	427,088	316,578	146,023,106
Remitted	\$17,328,599	\$30,690,204	\$138,328	\$28,284	\$48,185,415

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	4,954,895	55,172,249	15,874,606	76,001,750
Exported Gallons	576,045	9,175,902	11,373,060	21,125,007
Distribution Allowance	19,771	317,875	7,704	345,350
Total Taxable Gallons	4,359,079	45,678,472	4,493,842	54,531,393
Remitted	\$243,433	\$16,582,582	\$1,480,670	\$18,306,685

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	42,637	0	281,007
Remitted	\$15,488	\$0	\$85,871

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
1	Agricultural	167	0	0	0	167
0	Federal Government	0	0	0	0	0
4	State Government	10,439	18	0	0	10,457
19	Other Political	20,847	9,089	0	0	29,936
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
0	Denaturing Alcohol	0	0	0	0	0
12	Commercial	4,636	28,756	0	0	33,392
0	Refund Agent	0	0	0	0	0
0	Transport Diversions	0	0	0	0	0
0	Casualty Losses	0	0	0	0	0
0	Special Fuel Blending	0	0	0	0	0
0	Excess Tax on Blended Fuel	0	0	0	0	0
36	TOTALS	\$36,089	\$37,863	\$0	\$0	\$73,952

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$22,826