



Iowa Department of **REVENUE**

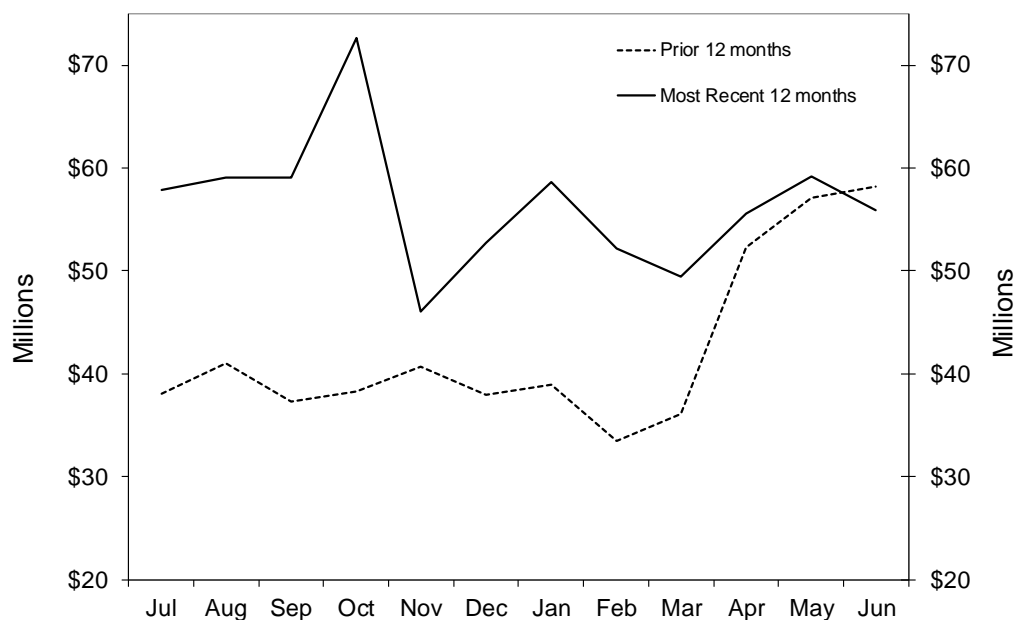
Fuel Tax Monthly Report for June 2016

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. 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. 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. Since April 2015, year-over-year growth in net collections has reflected 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 changes in net collections since April 2016 reflect increased or decreased consumption. In June 2016, the year-over-year change in net collections was negative for the first time since the higher tax rates became effective. Net collections were \$55.8 million in the month, 4 percent lower than in June 2015.

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



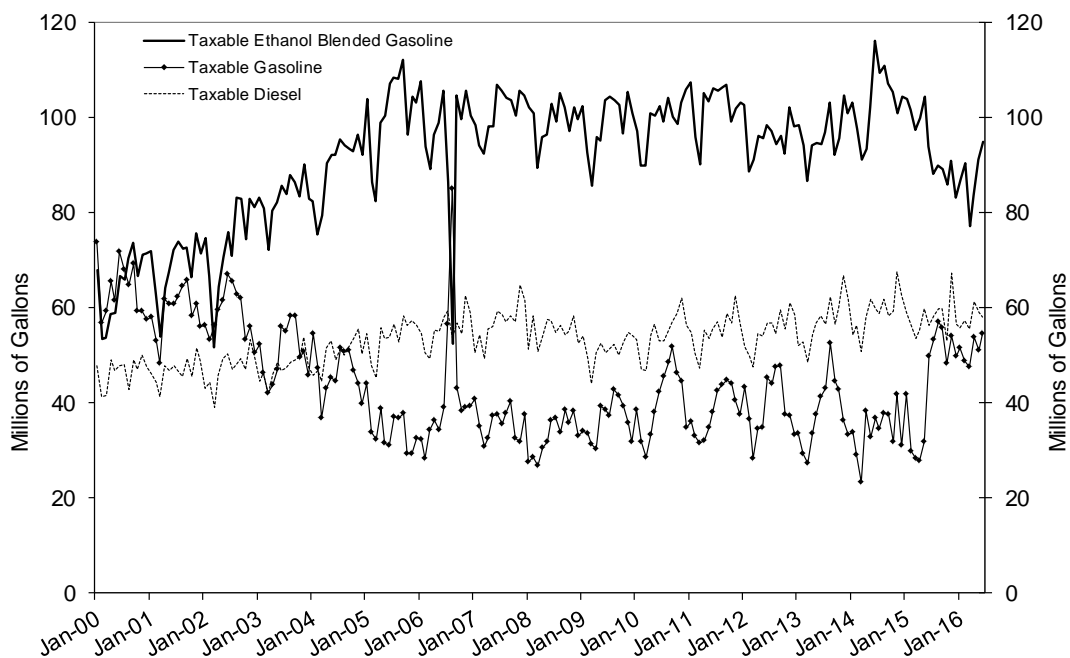
Source: Iowa Department of Revenue

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 in demand. 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 – June 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 30.8 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 final page of the monthly report.

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

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$16,185,156	\$26,828,306	\$131,663	\$11,912
Collections	Total Remitted	\$43,157,037			
Permit Refunds	Total Refunded	<u>\$4,277,463</u>			
Collections Less Permit Refunds		Current Month \$38,879,574	Fiscal YTD \$462,208,062	Prior FYTD \$337,488,472	Change 36.96%

SPECIAL FUEL

Detailed Collections	Aviation Jet		Diesel	B11 or Higher	
			\$143,973	\$17,071,308	\$1,017,415
Collections	Total Remitted	\$18,232,696			
Permit Refunds	Total Refunded	<u>\$1,089,532</u>			
Collections Less Permit Refunds		Current Month \$17,143,164	Fiscal YTD \$218,608,432	Prior FYTD \$173,830,243	Change 25.76%

LPG, LNG, & CNG

Detailed Collections	LPG	LNG	CNG		
		\$27,592	\$0	\$20,102	
Collections	Total Remitted	\$47,694			
Permit Refunds	Total Refunded	<u>\$37</u>			
Collections Less Permit Refunds		Current Month \$47,657	Fiscal YTD \$928,560	Prior FYTD \$444,522	Change 108.89%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections	Miscellaneous	Accounts Receivable	
		\$0	\$46,449
Collections	Total Remitted	<u>\$46,449</u>	
Misc. & Account Receivable		Current Month \$46,449	Fiscal YTD \$115,419
			Prior FYTD \$348,242
			Change -66.86%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$61,483,876	\$738,782,198	\$544,287,604	35.73%
Refunds				
Permit Refunds Including Interest	\$5,367,152			
Motor Fuel Individual/Corporate Credits	<u>\$278,758</u>			
Total Refunds and Credits	\$5,645,910	\$60,677,475	\$34,904,643	73.84%
Collections Less Permit Refunds and Credits	\$55,837,966	\$678,104,723	\$509,382,961	33.12%

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For Gallons Reported on Returns Filed in June 2016**

MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	61,746,503	267,565,806	619,948	156,544	330,088,801
Exported Gallons	6,405,216	171,160,594	149,569	0	177,715,379
Distribution Allowance	882,390	1,505,758	4,629	2,204	2,394,981
Total Taxable Gallons	54,458,897	94,899,454	465,750	154,340	149,978,441
Remitted	\$16,185,156	\$26,828,306	\$131,663	\$11,912	\$43,157,037

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	3,472,850	70,491,639	15,698,958	89,663,447
Exported Gallons	468,159	15,643,274	12,122,526	28,233,959
Distribution Allowance	20,321	379,134	1,914	401,369
Total Taxable Gallons	2,984,370	54,469,231	3,574,518	61,028,119
Remitted	\$143,973	\$17,071,308	\$1,017,415	\$18,232,696

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	68,855	0	64,845
Remitted	\$27,592	\$0	\$20,102

REFUND SUMMARY**DOLLARS**

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
31	Agricultural	4,228	5,420	0	0	9,647
2	Federal Government	2,927	459	37	0	3,423
7	State Government	30,402	525	0	0	30,927
107	Other Political	136,403	23,436	0	0	159,839
0	Urban Transit	0	0	0	0	0
0	Regional Transit	0	0	0	0	0
1	Native American	5,611	0	0	0	5,611
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
36	Denaturing Alcohol	1,956,587	0	0	0	1,956,587
62	Commercial	1,373,438	165,100	0	120	1,538,657
0	Refund Agent	0	0	0	0	0
12	Transport Diversions	44,170	40,328	0	0	84,499
0	Casualty Losses	0	0	0	0	0
7	Special Fuel Blending	0	22,771	0	0	22,771
17	Excess Tax on Blended Fuel	723,697	831,494	0	0	1,555,191
282	TOTALS	\$4,277,463	\$1,089,532	\$37	\$120	\$5,367,152

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$72,246