



Iowa Department of **REVENUE**

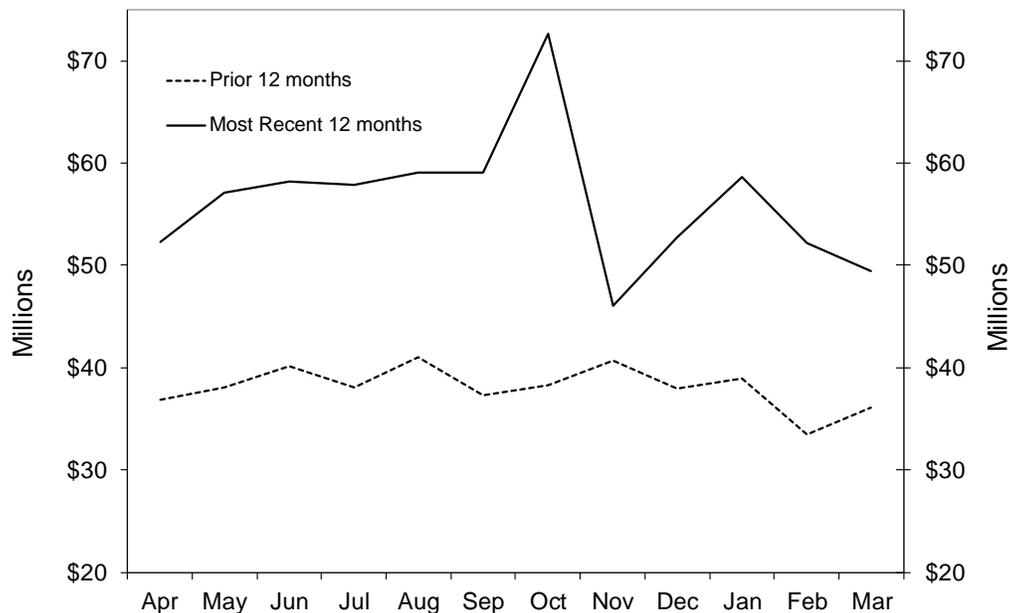
Fuel Tax Monthly Report for March 2016

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. Net collections were \$49.4 million in March 2016, 37 percent higher than in March 2015. March revenues dipped somewhat from the previous month. Year-over-year growth in net collections reflects tax rate increases that became effective in March 2015. With a reported 189.9 million taxable gallons of various fuel types subject to the higher tax rates for the month, the estimated increase in collections as a result of the rate increases is \$18.0 million.

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



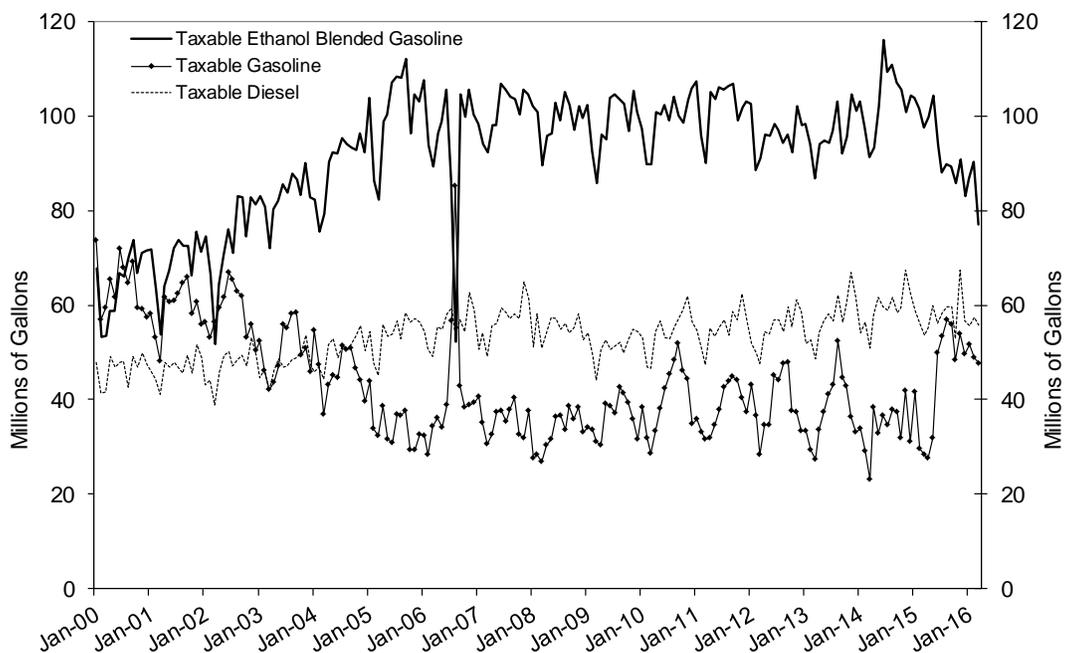
Source: Iowa Department of Revenue

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. 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 – March 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 March 2016**

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$14,305,135	\$22,066,486	\$143,833	\$8,582
Collections	Total Remitted	\$36,524,036			
Permit Refunds	Total Refunded	<u>\$2,674,897</u>			
Collections Less Permit Refunds		Current Month \$33,849,140	Fiscal YTD \$345,044,279	Prior FYTD \$224,195,539	Change 53.90%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$121,712	\$17,092,143	\$483,911
Collections	Total Remitted	\$17,697,766			
Permit Refunds	Total Refunded	<u>\$867,313</u>			
Collections Less Permit Refunds		Current Month \$16,830,454	Fiscal YTD \$163,977,601	Prior FYTD \$118,865,460	Change 37.95%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$29,188	\$0	\$68,303
Collections	Total Remitted	\$97,492			
Permit Refunds	Total Refunded	<u>\$12,940</u>			
Collections Less Permit Refunds		Current Month \$84,551	Fiscal YTD \$672,597	Prior FYTD \$260,215	Change 158.48%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable	
			\$0	\$8,697
Collections	Total Remitted	<u>\$8,697</u>		
Misc. & Account Receivable		Current Month \$8,697	Fiscal YTD \$54,345	Prior FYTD \$326,314 -83.35%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$54,327,991	\$551,180,563	\$367,739,268	49.88%
Refunds				
Permit Refunds Including Interest	\$3,555,154			
Motor Fuel Individual/Corporate Credits	<u>\$1,381,059</u>			
Total Refunds and Credits	\$4,936,213	\$43,701,622	\$26,037,524	67.84%
Collections Less Permit Refunds and Credits	\$49,391,779	\$507,478,942	\$341,701,744	48.52%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	55,105,285	234,110,140	663,067	111,527	289,990,019
Exported Gallons	6,730,200	155,692,435	155,393	0	162,578,028
Distribution Allowance	772,744	1,229,955	4,535	1,560	2,008,794
Total Taxable Gallons	47,602,341	77,187,750	503,139	109,967	125,403,197
Remitted	\$14,305,135	\$22,066,486	\$143,833	\$8,582	\$36,524,036

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	2,855,475	63,557,140	7,944,046	74,356,661
Exported Gallons	343,288	9,279,205	6,261,442	15,883,935
Distribution Allowance	17,314	377,064	1,351	395,729
Total Taxable Gallons	2,494,873	53,900,871	1,681,253	58,076,997
Remitted	\$121,712	\$17,092,143	\$483,911	\$17,697,766

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	55,493	0	220,335
Remitted	\$29,188	\$0	\$68,303

REFUND SUMMARY**DOLLARS**

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
22	Agricultural	2,108	10,652	0	0	12,759
8	Federal Government	210,292	24,047	142	0	234,481
12	State Government	116,085	62,835	0	0	178,920
155	Other Political	145,374	55,637	0	0	201,010
0	Urban Transit	0	0	0	0	0
0	Regional Transit	0	0	0	0	0
2	Native American	9,458	536	0	0	9,993
0	Contract Carrier	0	0	0	0	0
0	Commercial Fisherman	0	0	0	0	0
0	Home Heating	0	0	0	0	0
1	Extract of Nat'l Deposits	306	0	0	0	306
39	Denaturing Alcohol	1,803,632	0	0	0	1,803,632
112	Commercial	49,409	304,280	12,799	4	366,492
0	Refund Agent	0	0	0	0	0
15	Transport Diversions	302,106	28,634	0	0	330,740
0	Casualty Losses	0	0	0	0	0
2	Special Fuel Blending	0	1,979	0	0	1,979
13	Excess Tax on Blended Fuel	36,128	378,714	0	0	414,841
381	TOTALS	\$2,674,897	\$867,313	\$12,940	\$4	\$3,555,154

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$127,182