



Iowa Department of **REVENUE**

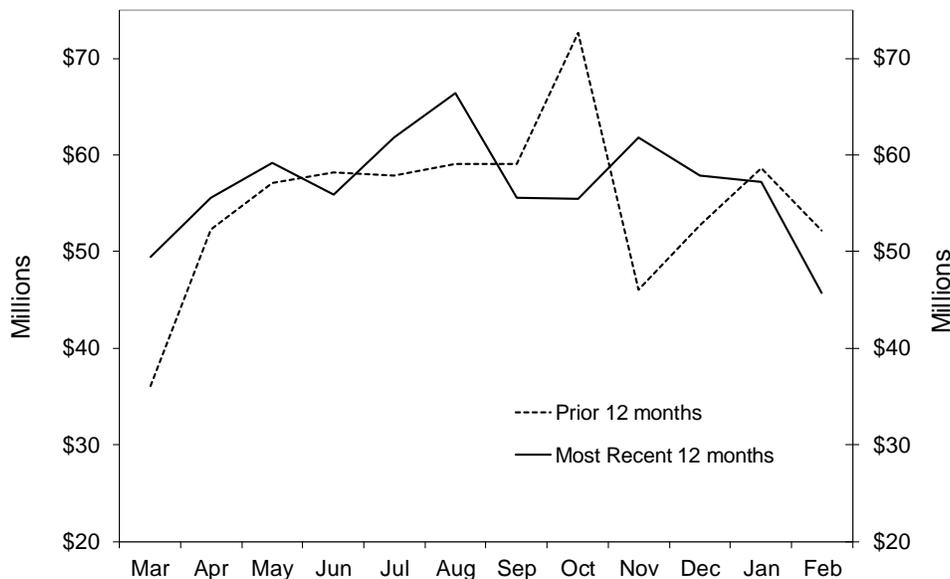
Fuel Tax Monthly Report for February 2017

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. Because across-the-board tax rate increases became 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 reported in February 2017 were \$45.7 million, a 12.3 percent decrease from February of the previous year. However, the decrease is partly due to at least one large supplier failing to file timely. Monthly collections were higher than prior year numbers in seven of the last twelve months.

**Figure 1. Iowa Monthly Fuel Tax Collections Less Refunds and Credits:
Most Recent 12 Months Compared to Prior 12 Months for February 2017**



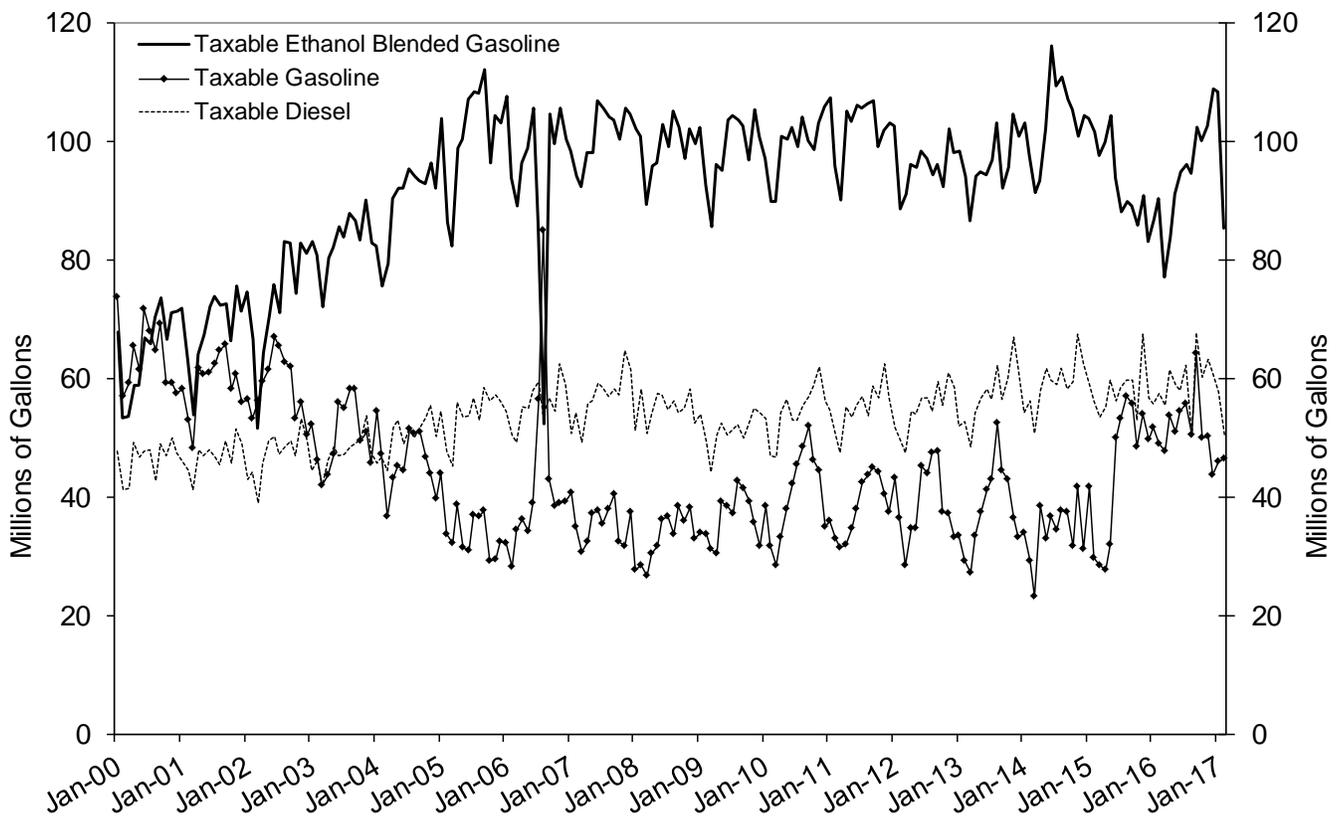
Source: Iowa Department of Revenue

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. Beginning June 2015, the average percentage of taxable gallons reported as ethanol blended gasoline fell to 64 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. In February 2017, gallons of ethanol blended gasoline represented 65 percent of motor fuel taxable gallons.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – February 2017



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.

**Iowa Department of Revenue
Fuel Tax Monthly Report
For Gallons Reported on Returns Filed in February 2017**

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$14,479,777	\$25,166,587	\$142,129	\$9,708
Collections	Total Remitted	\$39,798,201			
Permit Refunds	Total Refunded	<u>\$9,752,052</u>			
Collections Less Permit Refunds		Current Month \$30,046,149	Fiscal YTD \$316,171,205	Prior FYTD \$311,195,139	Change 1.60%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$151,994	\$16,030,754	\$534,121
Collections	Total Remitted	\$16,716,869			
Permit Refunds	Total Refunded	<u>\$983,845</u>			
Collections Less Permit Refunds		Current Month \$15,733,024	Fiscal YTD \$145,807,147	Prior FYTD \$147,147,147	Change -0.91%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$14,407	\$0	\$71,453
Collections	Total Remitted	\$85,861			
Permit Refunds	Total Refunded	<u>\$250</u>			
Collections Less Permit Refunds		Current Month \$85,610	Fiscal YTD \$655,491	Prior FYTD \$588,046	Change 11.47%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable	
			\$0	\$16,630
Collections	Total Remitted	<u>\$16,630</u>		
Misc. & Account Receivable		Current Month \$16,630	Fiscal YTD \$258,472	Prior FYTD \$45,648 466.23%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$56,617,560	\$514,257,969	\$496,852,572	3.50%
Refunds				
Permit Refunds Including Interest	\$10,736,147			
Motor Fuel Individual/Corporate Credits	<u>\$137,639</u>			
Total Refunds and Credits	\$10,873,786	\$52,339,064	\$38,765,409	35.01%
Collections Less Permit Refunds and Credits	\$45,743,774	\$461,918,905	\$458,087,163	0.84%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	52,241,580	252,052,130	666,613	121,134	305,081,457
Exported Gallons	5,038,054	165,236,874	178,914	0	170,453,842
Distribution Allowance	753,937	1,350,966	5,020	1,607	2,111,530
Total Taxable Gallons	46,449,589	85,464,290	482,679	119,527	132,516,085
Remitted	\$14,479,777	\$25,166,587	\$142,129	\$9,708	\$39,798,201

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	3,504,019	57,565,646	3,199,347	64,269,012
Exported Gallons	499,221	8,649,044	1,414,924	10,563,189
Distribution Allowance	11,039	339,800	1,294	352,133
Total Taxable Gallons	2,993,759	48,576,802	1,783,129	53,353,690
Remitted	\$151,994	\$16,030,754	\$534,121	\$16,716,869

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	75,844	0	230,495
Remitted	\$14,407	\$0	\$71,453

REFUND SUMMARY**DOLLARS**

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
13	Agricultural	1,268	2,056	0	0	3,324
11	Federal Government	101,010	13,300	65	0	114,375
8	State Government	37,582	12,076	0	0	49,657
137	Other Political	198,308	59,346	185	0	257,838
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
1	Extract of Nat'l Deposits	0	99,324	0	0	99,324
38	Denaturing Alcohol	2,126,124	0	0	0	2,126,124
78	Commercial	24,369	220,319	0	0	244,688
0	Refund Agent	0	0	0	0	0
11	Transport Diversions	6,969,470	57,781	0	0	7,027,251
0	Casualty Losses	0	0	0	0	0
2	Special Fuel Blending	0	1,448	0	0	1,448
18	Excess Tax on Blended Fuel	293,922	518,195	0	0	812,117
317	TOTALS	\$9,752,052	\$983,845	\$250	\$0	\$10,736,147

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$112,025