



Iowa Department of **REVENUE**

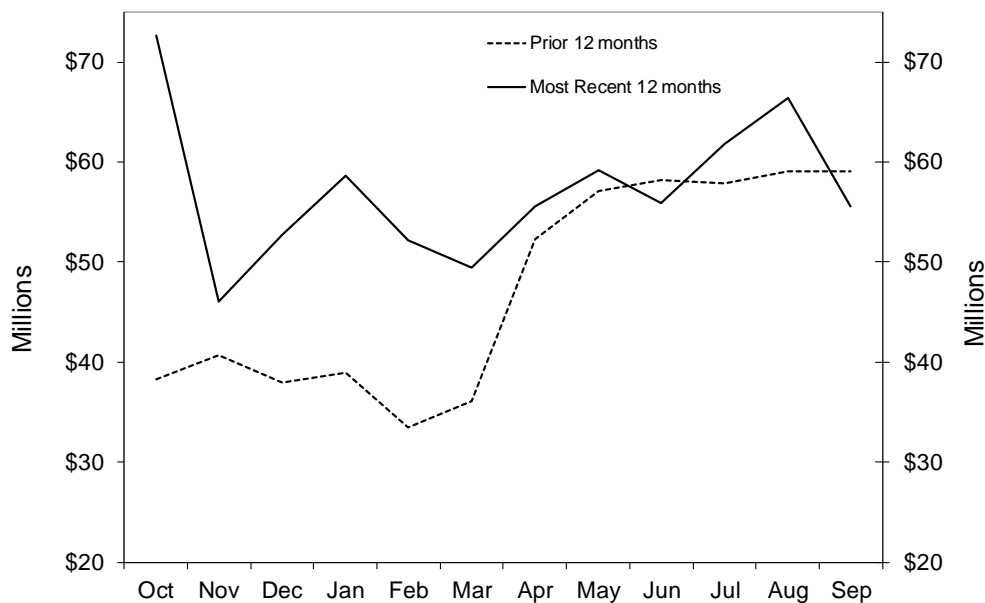
Fuel Tax Monthly Report for September 2016

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 ten 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 September 2016 were \$55.6 million, representing a 5.9 percent decrease over September 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 September 2016**



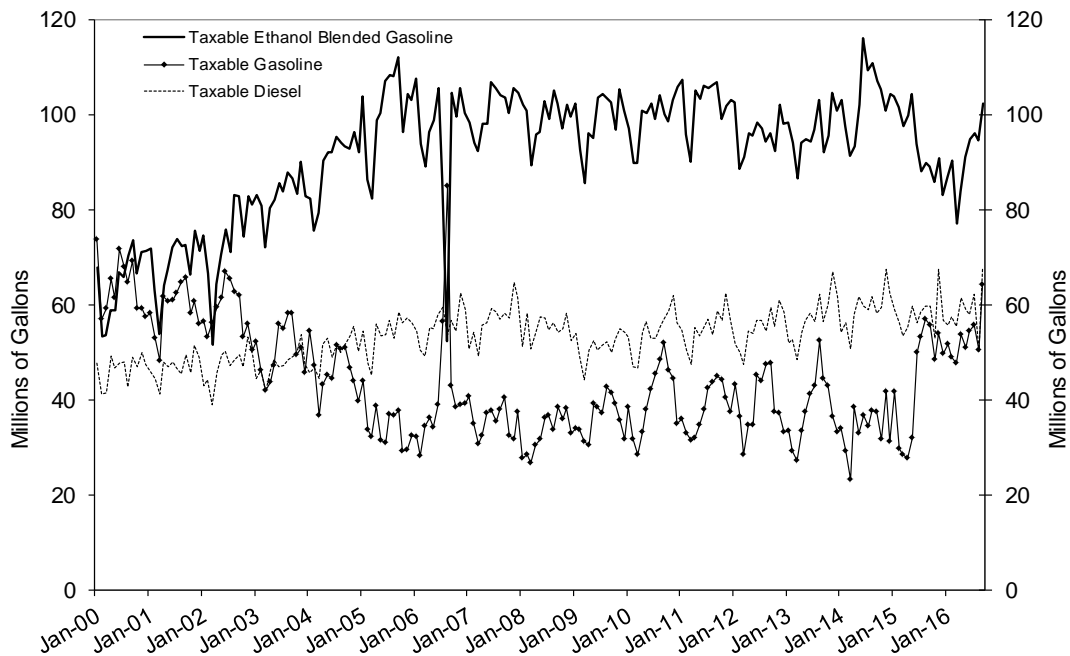
Source: Iowa Department of Revenue

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 – September 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 September 2016 Iowa Fuel Tax Monthly Report measures refunds issued between July 26 and August 25. The Department issued significant motor fuel tax refunds on July 26. These refunds appear in the September 2016 monthly report and are largely responsible for the year over year drop in net revenues seen in Figure 1. 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 September 2016**

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$18,324,917	\$27,622,936	\$147,965	\$18,401
Collections	Total Remitted	\$46,114,220			
Permit Refunds	Total Refunded	<u>\$8,595,343</u>			
Collections Less Permit Refunds		Current Month \$37,518,877	Fiscal YTD \$127,913,749	Prior FYTD \$119,110,130	Change 7.39%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$173,743	\$18,734,708	\$1,516,140
Collections	Total Remitted	\$20,424,592			
Permit Refunds	Total Refunded	<u>\$2,280,288</u>			
Collections Less Permit Refunds		Current Month \$18,144,304	Fiscal YTD \$56,035,874	Prior FYTD \$57,043,839	Change -1.77%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$25,079	\$0	\$54,008
Collections	Total Remitted	\$79,087			
Permit Refunds	Total Refunded	<u>\$7,460</u>			
Collections Less Permit Refunds		Current Month \$71,627	Fiscal YTD \$240,621	Prior FYTD \$182,791	Change 31.64%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable	
			\$0	\$29,483
Collections	Total Remitted	<u>\$29,483</u>		
Misc. & Account Receivable		Current Month \$29,483	Fiscal YTD \$35,007	Prior FYTD \$10,479
				Change 234.07%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$66,647,382	\$199,331,547	\$190,983,606	4.37%
Refunds				
Permit Refunds Including Interest	\$10,883,303			
Motor Fuel Individual/Corporate Credits	<u>\$191,189</u>			
Total Refunds and Credits	\$11,074,492	\$15,552,178	\$15,026,746	3.50%
Collections Less Permit Refunds and Credits	\$55,572,890	\$183,779,369	\$175,956,860	4.45%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	72,683,767	292,768,750	774,069	251,098	366,477,684
Exported Gallons	7,464,267	188,706,340	219,663	0	196,390,270
Distribution Allowance	1,043,424	1,625,117	5,464	3,633	2,677,638
Total Taxable Gallons	64,176,076	102,437,293	548,942	247,465	167,409,776
Remitted	\$18,324,917	\$27,622,936	\$147,965	\$18,401	\$46,114,220

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	4,066,792	72,169,427	18,479,149	94,715,368
Exported Gallons	321,505	9,721,825	12,940,270	22,983,600
Distribution Allowance	15,552	433,186	9,612	458,350
Total Taxable Gallons	3,729,735	62,014,416	5,529,267	71,273,418
Remitted	\$173,743	\$18,734,708	\$1,516,140	\$20,424,592

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	52,944	0	174,224
Remitted	\$25,079	\$0	\$54,008

REFUND SUMMARY**DOLLARS**

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
49	Agricultural	6,178	36,332	0	0	42,510
10	Federal Government	152,262	18,470	78	0	170,810
22	State Government	157,803	52,163	0	0	209,966
316	Other Political	526,817	224,305	7,382	0	758,504
0	Urban Transit	0	0	0	0	0
0	Regional Transit	0	0	0	0	0
1	Native American	4,749	0	0	0	4,749
3	Contract Carrier	506	3,462	0	20	3,988
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
83	Denaturing Alcohol	3,940,409	0	0	0	3,940,409
213	Commercial	201,917	736,493	0	0	938,410
0	Refund Agent	0	0	0	0	0
20	Transport Diversions	2,677,266	84,652	0	192	2,762,110
0	Casualty Losses	0	0	0	0	0
4	Special Fuel Blending	0	41,658	0	0	41,658
41	Excess Tax on Blended Fuel	927,436	1,082,753	0	0	2,010,189
762	TOTALS	\$8,595,343	\$2,280,288	\$7,460	\$212	\$10,883,303

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$188,302