



Iowa Department of REVENUE

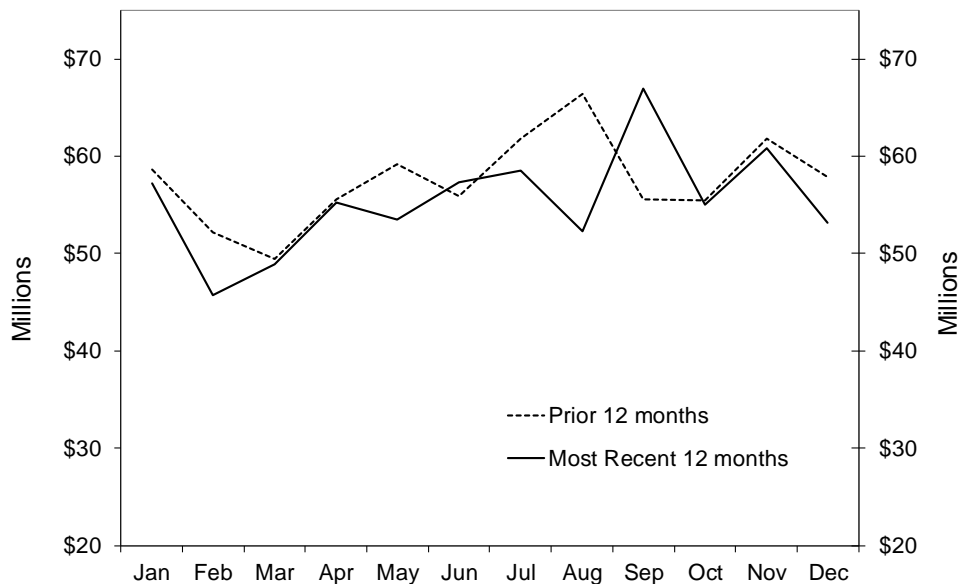
Fuel Tax Monthly Report for December 2017

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. In December 2017 collections were \$53.1 million, somewhat lower than December of last year. The decrease reflects a year-over-year decline in motor fuel collections offsetting a slight increase in diesel fuel collections. In addition, the tax rate on gasoline is \$0.002 lower in 2017. Monthly collections were higher than prior year numbers in only two of the last twelve months. The number of taxable gallons may be reported in a month other than that for which taxes are remitted; net collections do not necessarily reflect the number of taxable gallons sold in the month. However, as with collections, taxable gallons of motor fuel decreased and taxable gallons of diesel increased in December as compared to a year ago.

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



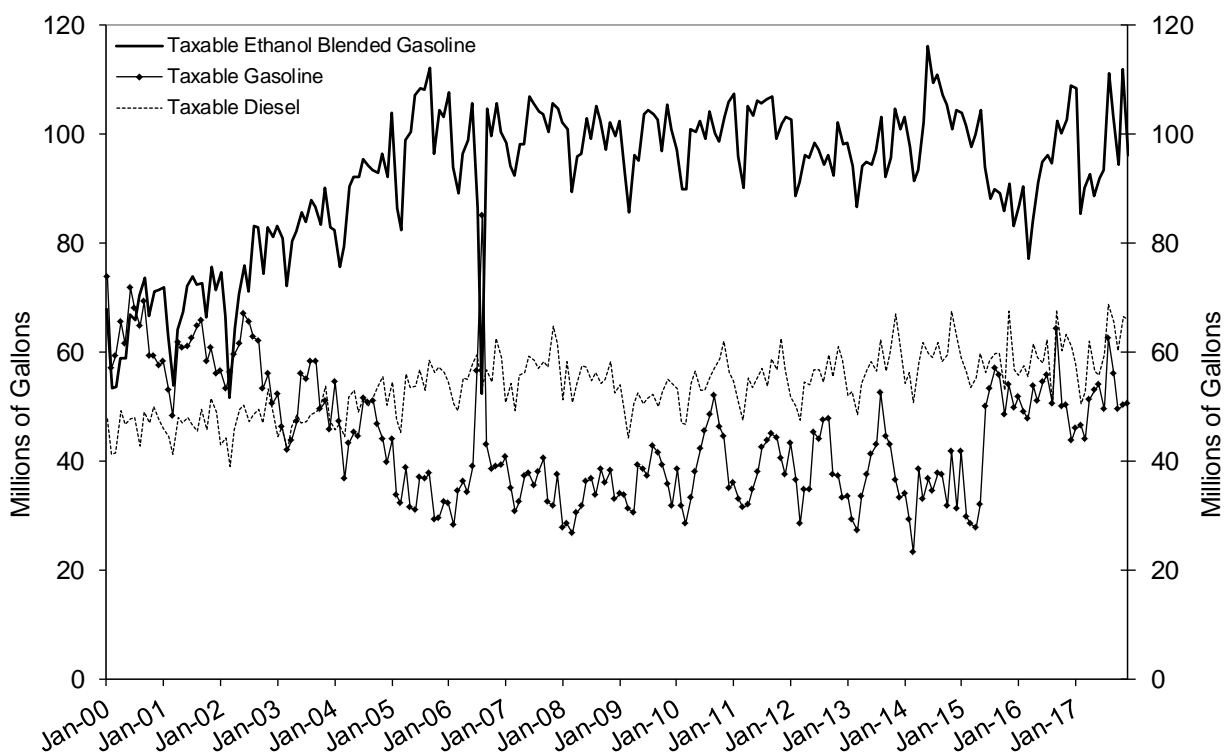
Source: Iowa Department of Revenue

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 along 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.

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.

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. For the period since June 2015, the monthly average percentage of taxable gallons reported as ethanol blended gasoline is 65 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 December 2017, gallons of ethanol blended gasoline represented 65.6 percent of motor fuel taxable gallons.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – December 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 30.5 cents per gallon and collects tax on the resulting ethanol blended gasoline at 29.0 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 30.5 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. The high value of denaturing refunds reflects claims by one supplier for over a year of activity.

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

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$14,548,752	\$26,367,494	\$185,448	\$9,720
Collections	Total Remitted	\$41,111,415			
Permit Refunds	Total Refunded	<u>\$6,401,032</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$34,710,383	\$232,041,423	\$246,840,591	-6.00%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$142,118	\$18,740,804	\$1,399,910
Collections	Total Remitted	\$20,282,832			
Permit Refunds	Total Refunded	<u>\$1,881,720</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$18,401,112	\$114,393,884	\$112,216,282	1.94%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$28,914	\$0	\$44,885
Collections	Total Remitted	\$73,799			
Permit Refunds	Total Refunded	<u>\$17,364</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$56,435	\$471,578	\$432,161	9.12%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable		
			\$0	\$29,297	
Collections	Total Remitted	<u>\$29,297</u>			
Misc. & Account Receivable		Current Month	Fiscal YTD	Prior FYTD	Change
		\$29,297	\$924,664	\$233,903	295.32%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$61,497,342	\$394,126,235	\$392,623,687	0.38%
Refunds				
Permit Refunds Including Interest	\$8,300,801			
Motor Fuel Individual/Corporate Credits	<u>\$59,121</u>			
Total Refunds and Credits	\$8,359,922	\$47,476,820	\$33,695,063	40.90%
Collections Less Permit Refunds and Credits	\$53,137,420	\$346,649,415	\$358,928,624	-3.42%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	56,478,742	258,508,529	917,344	149,711	316,054,326
Exported Gallons	5,251,149	160,865,525	234,068	19,820	166,370,562
Distribution Allowance	818,288	1,557,971	7,473	1,481	2,385,213
Total Taxable Gallons	50,409,305	96,085,033	675,803	128,410	147,298,551
Remitted	\$14,548,752	\$26,367,494	\$185,448	\$9,720	\$41,111,415

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	3,736,482	76,179,210	14,314,695	94,230,387
Exported Gallons	721,451	14,815,537	9,289,865	24,826,853
Distribution Allowance	11,258	425,495	9,887	446,640
Total Taxable Gallons	3,003,773	60,938,178	5,014,943	68,956,894
Remitted	\$142,118	\$18,740,804	\$1,399,910	\$20,282,832

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	47,481	0	144,791
Remitted	\$28,914	\$0	\$44,885

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
33	Agricultural	8,142	1,245	0	0	9,387
5	Federal Government	152,016	27,389	67	0	179,472
12	State Government	223,745	8,532	0	0	232,277
100	Other Political	217,239	23,238	632	0	241,109
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
43	Denaturing Alcohol	2,581,038	0	0	0	2,581,038
115	Commercial	94,195	322,144	16,665	0	433,004
0	Refund Agent	0	0	0	0	0
17	Transport Diversions	2,360,195	515,490	0	686	2,876,371
1	Casualty Losses	526	0	0	0	526
1	Special Fuel Blending	0	6,291	0	0	6,291
49	Excess Tax on Blended Fuel	763,937	977,391	0	0	1,741,328
376	TOTALS	\$6,401,032	\$1,881,720	\$17,364	\$686	\$8,300,801

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$126,073