



Iowa Department of **REVENUE**

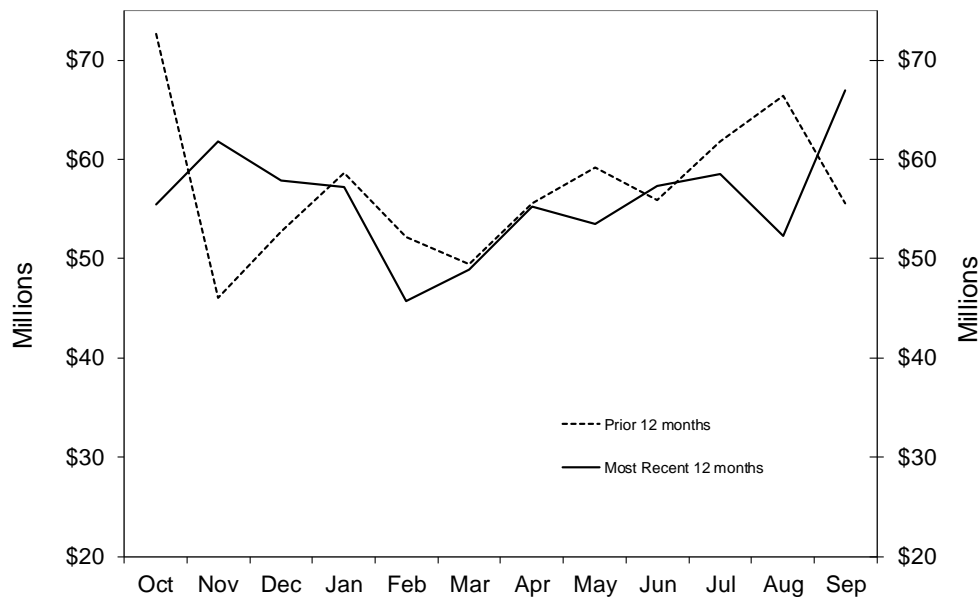
Fuel Tax Monthly Report for September 2017

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 September 2017 collections were \$66.9 million, a 20.4 percent increase from September of last year, reflecting increases in collections on both gasoline and diesel sales. Monthly collections were higher than prior year numbers in four of the last twelve months. Note, however, that the number of taxable gallons may be reported in a month other than that for which taxes are remitted; monthly net collections do not necessarily reflect the number of taxable gallons sold in the month.

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



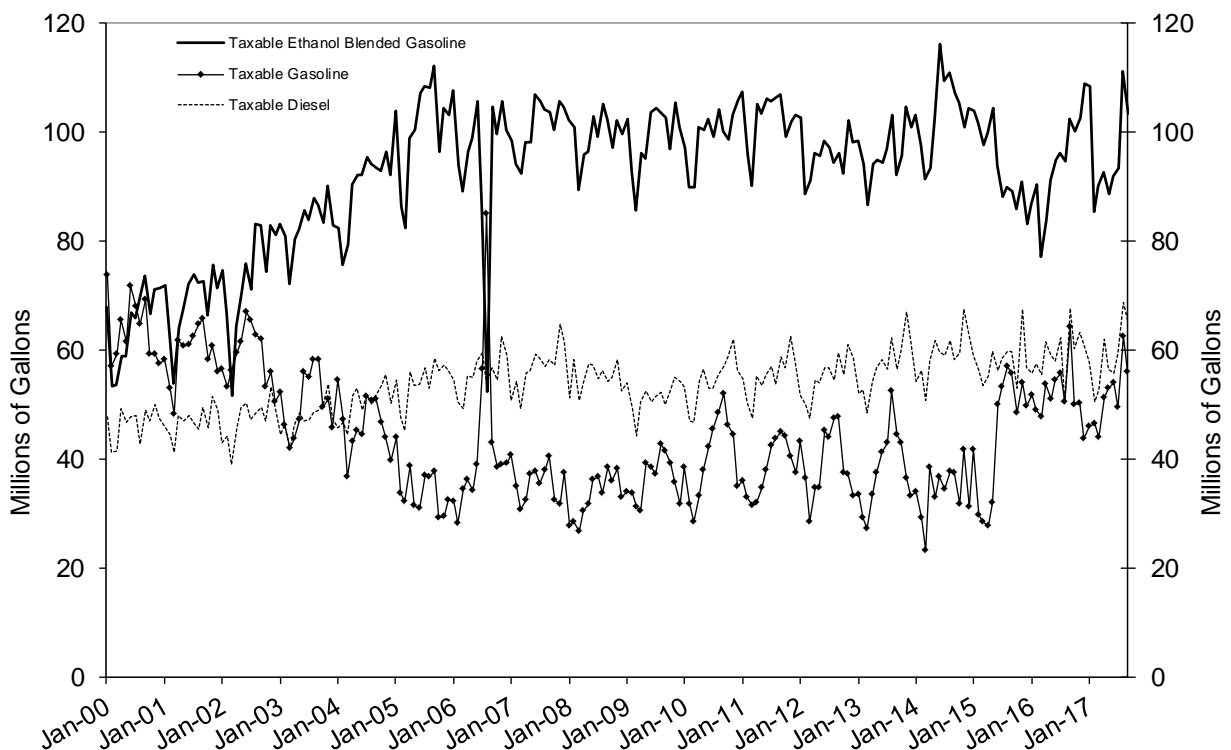
Source: Iowa Department of Revenue

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. 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 September 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 – September 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 September 2017**

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$17,802,242	\$31,287,730	\$193,660	\$24,717
Collections	Total Remitted	\$49,308,350			
Permit Refunds	Total Refunded	<u>\$3,591,660</u>			
Collections Less Permit Refunds		Current Month \$45,716,689	Fiscal YTD \$119,586,220	Prior FYTD \$127,913,749	Change -6.51%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$261,041	\$19,194,974	\$2,755,348
Collections	Total Remitted	\$22,211,362			
Permit Refunds	Total Refunded	<u>\$765,766</u>			
Collections Less Permit Refunds		Current Month \$21,445,596	Fiscal YTD \$58,517,203	Prior FYTD \$56,035,874	Change 4.43%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$23,184	\$0	\$35,677
Collections	Total Remitted	\$58,861			
Permit Refunds	Total Refunded	<u>\$413</u>			
Collections Less Permit Refunds		Current Month \$58,448	Fiscal YTD \$243,166	Prior FYTD \$240,621	Change 1.06%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable	
			\$0	\$40,000
Collections	Total Remitted	<u>\$40,000</u>		
Misc. & Account Receivable		Current Month \$40,000	Fiscal YTD \$92,482	Prior FYTD \$35,007 164.18%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$71,618,573	\$202,490,144	\$199,331,547	1.58%
Refunds				
Permit Refunds Including Interest	\$4,357,998			
Motor Fuel Individual/Corporate Credits	<u>\$341,359</u>			
Total Refunds and Credits	\$4,699,357	\$24,788,563	\$15,552,178	59.39%
Collections Less Permit Refunds and Credits	\$66,919,216	\$177,701,581	\$183,779,369	-3.31%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	62,349,050	277,918,007	936,023	324,565	341,527,645
Exported Gallons	5,498,788	172,836,677	288,338	24,600	178,648,403
Distribution Allowance	907,327	1,675,129	7,618	3,831	2,593,905
Total Taxable Gallons	55,942,935	103,406,201	640,067	296,134	160,285,337
Remitted	\$17,802,242	\$31,287,730	\$193,660	\$24,717	\$49,308,350

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	5,866,292	69,899,091	25,858,999	101,624,382
Exported Gallons	848,436	12,898,862	16,879,706	30,627,004
Distribution Allowance	13,907	392,654	27,162	433,723
Total Taxable Gallons	5,003,949	56,607,575	8,952,131	70,563,655
Remitted	\$261,041	\$19,194,974	\$2,755,348	\$22,211,362

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	51,067	0	115,087
Remitted	\$23,184	\$0	\$35,677

REFUND SUMMARY**DOLLARS**

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
15	Agricultural	2,527	18,427	0	74	21,028
4	Federal Government	5,543	240	0	0	5,783
7	State Government	9,994	143	0	0	10,137
93	Other Political	132,152	16,791	413	0	149,355
0	Urban Transit	0	0	0	0	0
0	Regional Transit	0	0	0	0	0
0	Native American	0	0	0	0	0
2	Contract Carrier	0	2,775	0	0	2,775
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
19	Denaturing Alcohol	1,020,112	0	0	0	1,020,112
97	Commercial	52,780	202,235	0	85	255,100
0	Refund Agent	0	0	0	0	0
4	Transport Diversions	1,571,270	7,377	0	0	1,578,647
0	Casualty Losses	0	0	0	0	0
2	Special Fuel Blending	0	583	0	0	583
18	Excess Tax on Blended Fuel	797,283	517,196	0	0	1,314,479
261	TOTALS	\$3,591,660	\$765,766	\$413	\$159	\$4,357,998

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$95,439