



Iowa Department of **REVENUE**

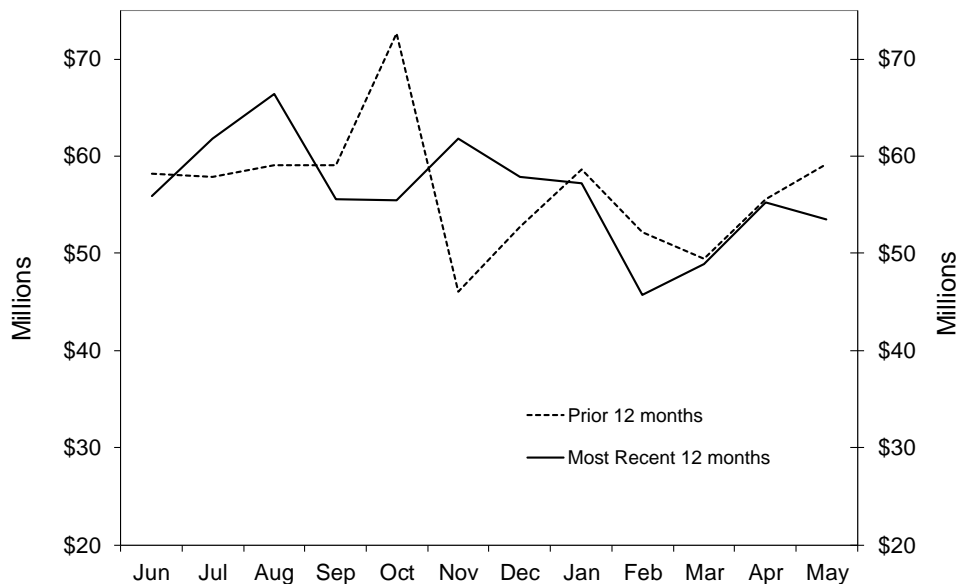
Fuel Tax Monthly Report for May 2017

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 May 2017 collections were \$53.5 million, a 9.5 percent decrease from May of last year. Taxable gallons of both ethanol-blended gasoline and gasoline did experience year-over-year increases in May, but these did not offset decreases in diesel taxable gallons. Monthly collections were higher than prior year numbers in only four 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 May 2017**



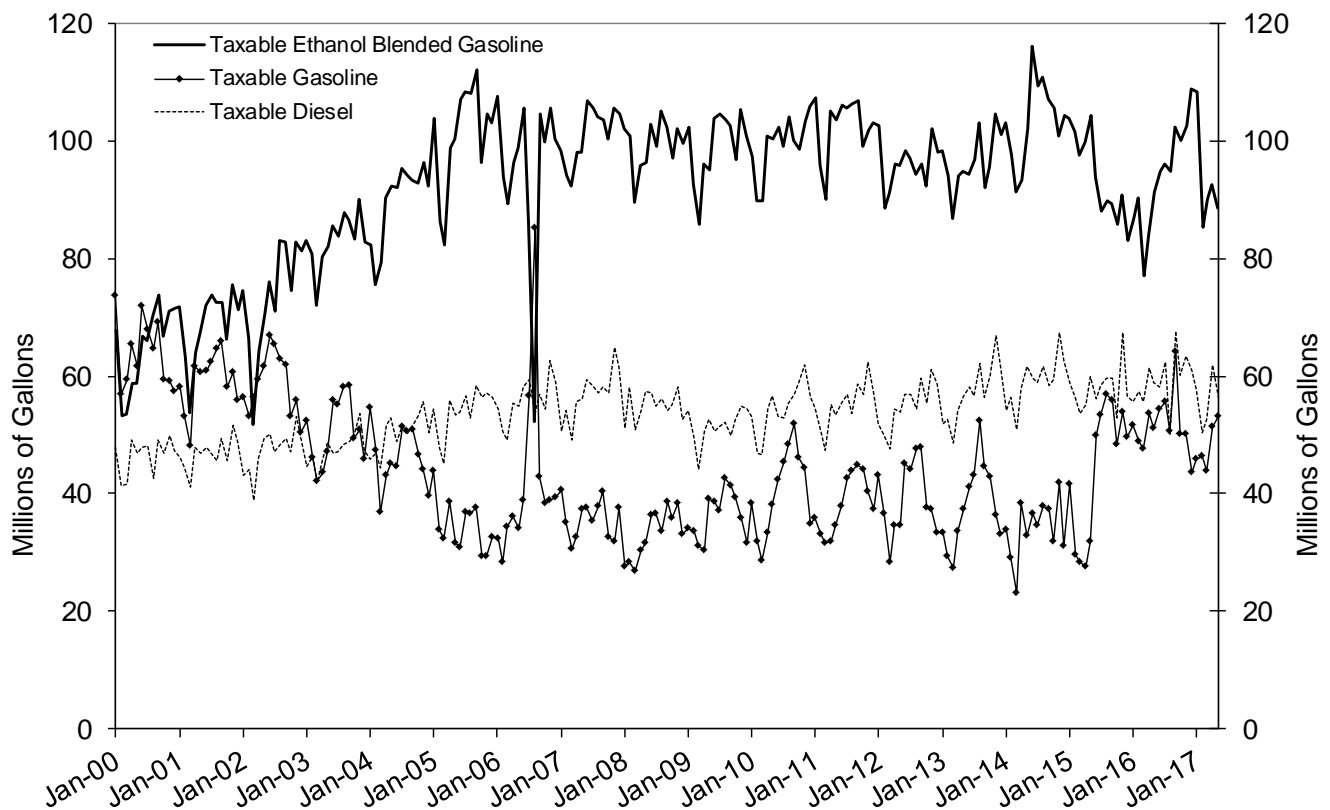
Source: Iowa Department of Revenue

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 May 2017, gallons of ethanol blended gasoline represented 63 percent of motor fuel taxable gallons.

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

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$16,336,937	\$25,789,898	\$184,530	\$12,060
Collections	Total Remitted	\$42,323,425			
Permit Refunds	Total Refunded	<u>\$5,394,759</u>			
Collections Less Permit Refunds		Current Month \$36,928,666	Fiscal YTD \$424,290,498	Prior FYTD \$423,328,488	Change 0.23%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$98,177	\$17,124,281	\$1,173,374
Collections	Total Remitted	\$18,395,832			
Permit Refunds	Total Refunded	<u>\$1,160,534</u>			
Collections Less Permit Refunds		Current Month \$17,235,298	Fiscal YTD \$197,877,712	Prior FYTD \$201,465,268	Change -1.78%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$20,037	\$0	\$68,826
Collections	Total Remitted	\$88,863			
Permit Refunds	Total Refunded	<u>\$768</u>			
Collections Less Permit Refunds		Current Month \$88,096	Fiscal YTD \$910,345	Prior FYTD \$880,903	Change 3.34%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable	
			\$0	\$1,221
Collections	Total Remitted	<u>\$1,221</u>		
Misc. & Account Receivable		Current Month \$1,221	Fiscal YTD \$275,259	Prior FYTD \$68,970 Change 299.10%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$60,809,342	\$693,111,563	\$677,298,322	2.33%
Refunds				
Permit Refunds Including Interest	\$6,556,153			
Motor Fuel Individual/Corporate Credits	<u>\$717,315</u>			
Total Refunds and Credits	\$7,273,468	\$73,533,174	\$55,031,565	33.62%
Collections Less Permit Refunds and Credits	\$53,535,873	\$619,578,388	\$622,266,757	-0.43%

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For Gallons Reported on Returns Filed in May 2017**

MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	58,664,665	234,936,056	941,910	152,096	294,694,727
Exported Gallons	4,752,236	144,839,752	299,392	0	149,891,380
Distribution Allowance	859,914	1,436,807	8,133	1,798	2,306,652
Total Taxable Gallons	53,052,515	88,659,497	634,385	150,298	142,496,695
Remitted	\$16,336,937	\$25,789,898	\$184,530	\$12,060	\$42,323,425

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	2,426,278	62,720,723	13,977,826	79,124,827
Exported Gallons	458,494	9,825,111	10,007,578	20,291,183
Distribution Allowance	10,224	366,200	4,804	381,228
Total Taxable Gallons	1,957,560	52,529,412	3,965,444	58,452,416
Remitted	\$98,177	\$17,124,281	\$1,173,374	\$18,395,832

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	71,223	0	222,018
Remitted	\$20,037	\$0	\$68,826

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
21	Agricultural	1,998	9,518	0	0	11,516
7	Federal Government	95,693	12,292	53	0	108,038
15	State Government	129,396	130,639	0	0	260,035
161	Other Political	189,584	89,270	715	0	279,569
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	1,866	0	0	1,866
45	Denaturing Alcohol	2,013,891	0	0	0	2,013,891
101	Commercial	91,553	255,504	0	92	347,149
0	Refund Agent	0	0	0	0	0
13	Transport Diversions	2,469,933	23,515	0	0	2,493,449
0	Casualty Losses	0	0	0	0	0
7	Special Fuel Blending	0	7,743	0	0	7,743
27	Excess Tax on Blended Fuel	402,710	630,187	0	0	1,032,897
398	TOTALS	\$5,394,759	\$1,160,534	\$768	\$92	\$6,556,153

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$71,520