



Iowa Department of **REVENUE**

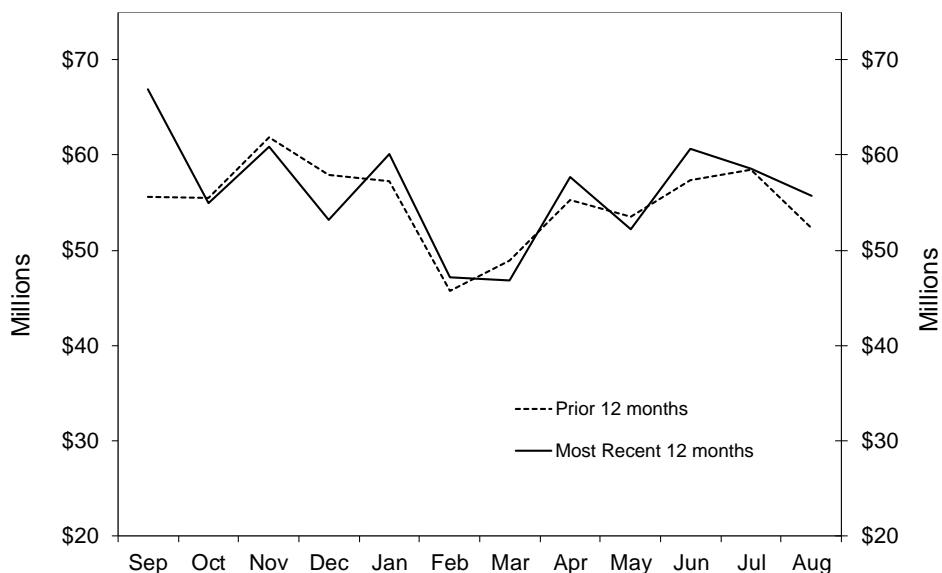
Fuel Tax Monthly Report for August 2018

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 and collections from prior tax periods reported as accounts receivable. Fiscal Year-To-Date and Prior Fiscal Year-To-Date collections, refunds, 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.

In July 2018, motor fuel excise tax rates changed slightly as a result of the ethanol distribution percentage calculated for calendar year 2017. For the period July 2018 through June 2019, the excise tax rate for ethanol blended gasoline remained at \$0.290 per gallon and the rate for gasoline increased from \$0.305 to \$0.307 per gallon. Any impact of this change is reflected in collections beginning in August 2018. Figure 1 compares monthly net collections across the last 24 months. In August 2018 collections were \$55.8 million, 6.6 percent higher than August of last year. Year-over-year, motor fuel net collections increased by 6.4 percent and collections on diesel increased by 7.1 percent. Monthly collections were higher than prior year numbers in seven of the last twelve months. Because 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. In August 2018, taxable gallons of motor fuel were 14.1 percent lower than in the previous August and taxable gallons of diesel were lower by 7.6 percent.

**Figure 1. Iowa Monthly Fuel Tax Collections Less Refunds and Credits:
Most Recent 12 Months Compared to Prior 12 Months for August 2018**

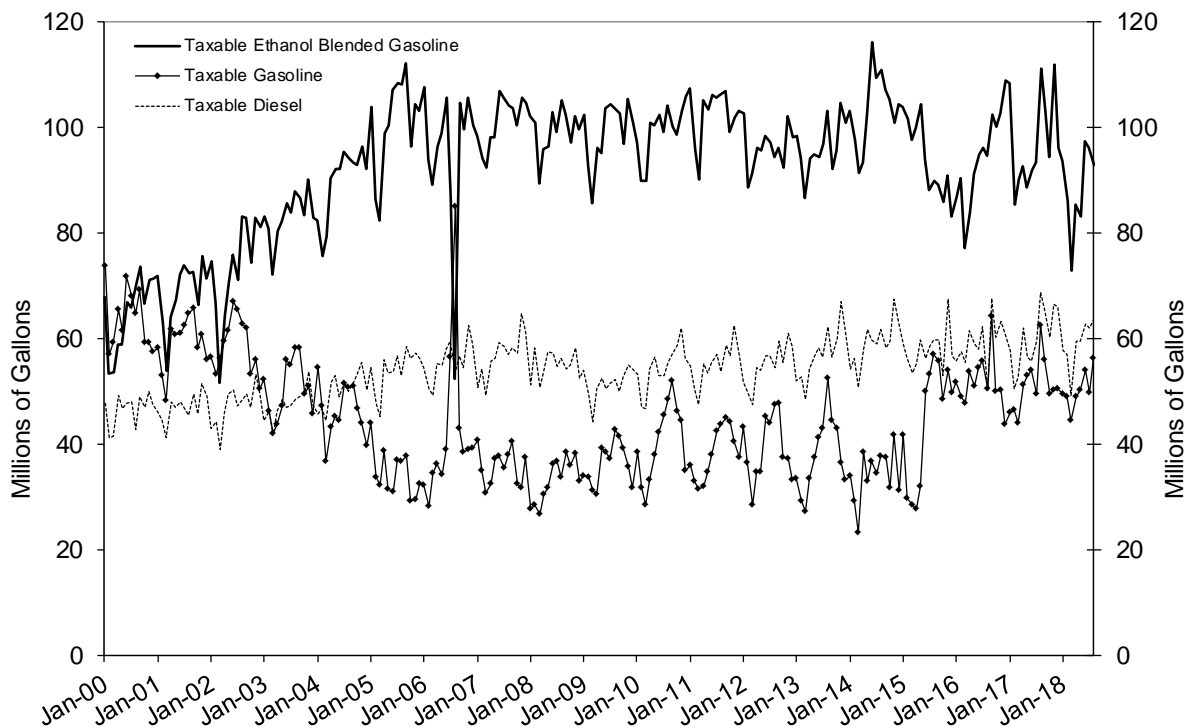


Source: Iowa Department of Revenue

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 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 August 2018, gallons of ethanol blended gasoline represented 62.4 percent of motor fuel taxable gallons.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – August 2018



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 30.5 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.

**Iowa Department of Revenue
Fuel Tax Monthly Report
For Gallons Reported on Returns Filed in August 2018**

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$16,258,609	\$25,437,114	\$212,934	\$16,880
Collections	Total Remitted	\$41,925,538			
Permit Refunds	Total Refunded	<u>\$3,610,024</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$38,315,514	\$78,066,889	\$73,869,531	5.68%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$232,260	\$16,811,084	\$2,408,857
Collections	Total Remitted	\$19,452,201			
Permit Refunds	Total Refunded	<u>\$1,905,923</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$17,546,278	\$36,423,764	\$37,071,607	-1.75%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$14,271	\$0	\$81,422
Collections	Total Remitted	\$95,693			
Permit Refunds	Total Refunded	<u>\$3,991</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$91,702	\$185,157	\$184,718	0.24%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable		
			\$0	\$1,000	
Collections	Total Remitted	<u>\$1,000</u>			
Misc. & Account Receivable		Current Month	Fiscal YTD	Prior FYTD	Change
		\$1,000	\$1,720	\$52,482	-96.72%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$61,474,432	\$124,951,984	\$130,871,571	-4.52%
Refunds				
Permit Refunds Including Interest	\$5,520,760			
Motor Fuel Individual/Corporate Credits	<u>\$192,193</u>			
Total Refunds and Credits	\$5,712,953	\$10,592,359	\$20,089,206	-47.27%
Collections Less Permit Refunds and Credits	\$55,761,479	\$114,359,625	\$110,782,365	3.23%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	63,589,131	263,634,286	1,004,666	252,526	328,480,609
Exported Gallons	6,531,477	169,141,491	217,905	25,629	175,916,502
Distribution Allowance	910,561	1,501,505	8,303	3,173	2,423,542
Total Taxable Gallons	56,147,093	92,991,290	778,458	223,724	150,140,565
Remitted	\$16,258,609	\$25,437,114	\$212,934	\$16,880	\$41,925,538

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	6,610,213	67,217,439	21,018,410	94,846,062
Exported Gallons	1,653,056	12,000,696	12,335,483	25,989,235
Distribution Allowance	32,440	378,341	26,006	436,787
Total Taxable Gallons	4,924,717	54,838,402	8,656,921	68,420,040
Remitted	\$232,260	\$16,811,084	\$2,408,857	\$19,452,201

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	37,458	0	262,654
Remitted	\$14,271	\$0	\$81,422

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
22	Agricultural	2,277	49,126	0	0	51,402
6	Federal Government	156,546	18,545	65	0	175,157
9	State Government	275,004	99,791	0	0	374,795
176	Other Political	278,177	173,197	3,926	0	455,300
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
36	Denaturing Alcohol	2,214,627	0	0	0	2,214,627
138	Commercial	71,142	472,446	0	0	543,588
0	Refund Agent	0	0	0	0	0
8	Transport Diversions	231,177	349,948	0	0	581,126
0	Casualty Losses	0	0	0	0	0
3	Special Fuel Blending	0	4,470	0	0	4,470
30	Excess Tax on Blended Fuel	381,074	738,398	0	822	1,120,294
428	TOTALS	\$3,610,024	\$1,905,923	\$3,991	\$822	\$5,520,760

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$311,278