



Iowa Department of **REVENUE**

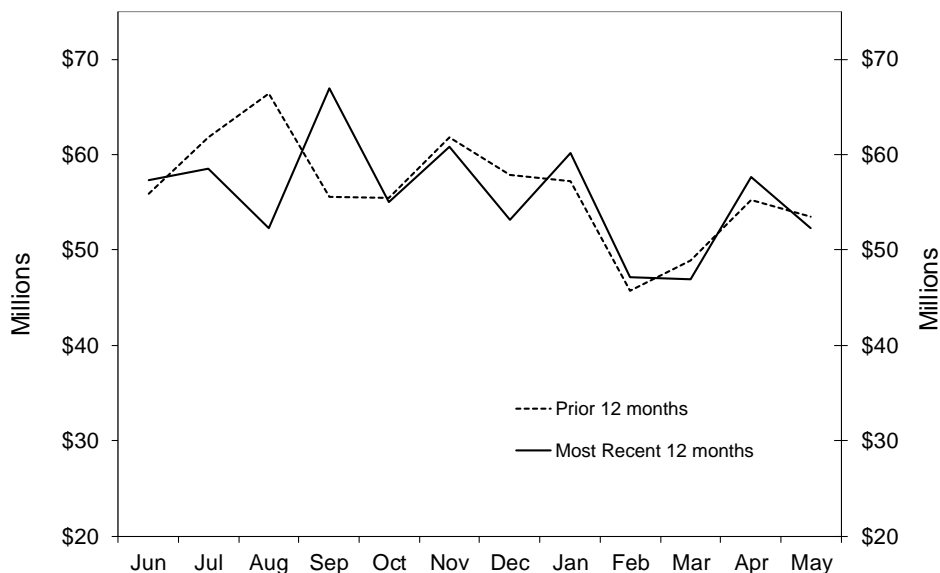
Fuel Tax Monthly Report for May 2018

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 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 2018 collections were \$52.3 million, 2.4 percent lower than May of last year. The overall decrease reflects a year-over-year decrease in motor fuel collections, offsetting an increase in diesel collections. Monthly collections were higher than prior year numbers in five 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 May 2018, compared to a year before, taxable gallons of motor fuel decreased by 5.9 percent and taxable gallons of diesel increased by 5.4 percent.

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



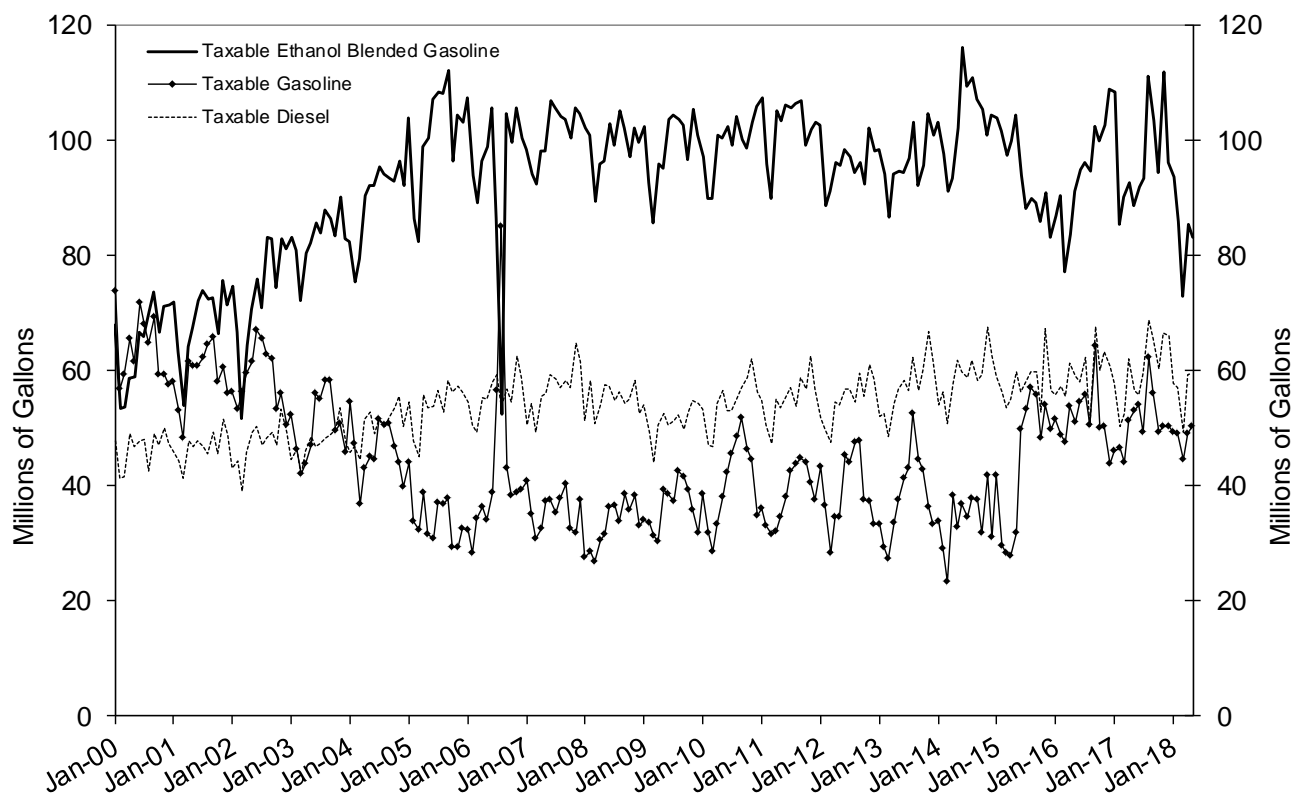
Source: Iowa Department of Revenue

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 May 2018, gallons of ethanol blended gasoline represented 62.3 percent of motor fuel taxable gallons.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – May 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 30.5 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.

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

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$15,053,696	\$23,685,567	\$152,570	\$8,305
Collections	Total Remitted	\$38,900,138			
Permit Refunds	Total Refunded	<u>\$3,707,023</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$35,193,115	\$410,375,879	\$424,290,498	-3.28%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$102,664	\$17,668,683	\$1,227,415
Collections	Total Remitted	\$18,998,761			
Permit Refunds	Total Refunded	<u>\$1,333,349</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$17,665,412	\$201,400,990	\$197,877,712	1.78%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$21,569	\$0	\$76,092
Collections	Total Remitted	\$97,661			
Permit Refunds	Total Refunded	<u>\$1,450</u>			
Collections Less Permit Refunds		Current Month	Fiscal YTD	Prior FYTD	Change
		\$96,210	\$1,159,676	\$910,345	27.39%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable		
			\$0	\$596	
Collections	Total Remitted	<u>\$596</u>			
Misc. & Account Receivable		Current Month	Fiscal YTD	Prior FYTD	Change
		\$596	\$1,729,001	\$275,259	528.14%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$57,997,156	\$687,324,225	\$693,111,563	-0.83%
Refunds				
Permit Refunds Including Interest	\$5,041,881			
Motor Fuel Individual/Corporate Credits	<u>\$704,977</u>			
Total Refunds and Credits	\$5,746,858	\$76,616,507	\$73,533,174	4.19%
Collections Less Permit Refunds and Credits	\$52,250,298	\$610,707,718	\$619,578,389	-1.43%

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For Gallons Reported on Returns Filed in May 2018**

MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	55,730,515	257,055,168	1,060,826	108,257	313,954,766
Exported Gallons	4,690,638	172,603,464	520,164	1,750	177,816,016
Distribution Allowance	815,640	1,341,210	5,287	845	2,162,982
Total Taxable Gallons	50,224,237	83,110,494	535,375	105,662	133,975,768
Remitted	\$15,053,696	\$23,685,567	\$152,570	\$8,305	\$38,900,138

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	2,910,761	65,252,989	13,365,193	81,528,943
Exported Gallons	808,654	9,548,337	9,125,009	19,482,000
Distribution Allowance	12,704	383,552	6,253	402,509
Total Taxable Gallons	2,089,403	55,321,100	4,233,931	61,644,434
Remitted	\$102,664	\$17,668,683	\$1,227,415	\$18,998,761

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	39,294	0	245,457
Remitted	\$21,569	\$0	\$76,092

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
23	Agricultural	3,458	12,789	0	0	16,248
4	Federal Government	64,894	5,268	37	0	70,199
14	State Government	80,135	67,910	0	0	148,045
118	Other Political	207,752	60,447	588	3	268,790
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
44	Denaturing Alcohol	2,225,294	0	0	0	2,225,294
122	Commercial	79,511	319,723	825	55	400,114
0	Refund Agent	0	0	0	0	0
17	Transport Diversions	578,152	37,420	0	0	615,571
0	Casualty Losses	0	0	0	0	0
1	Special Fuel Blending	0	76	0	0	76
36	Excess Tax on Blended Fuel	467,826	829,716	0	0	1,297,543
379	TOTALS	\$3,707,023	\$1,333,349	\$1,450	\$58	\$5,041,881

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$123,373