



Iowa Department of **REVENUE**

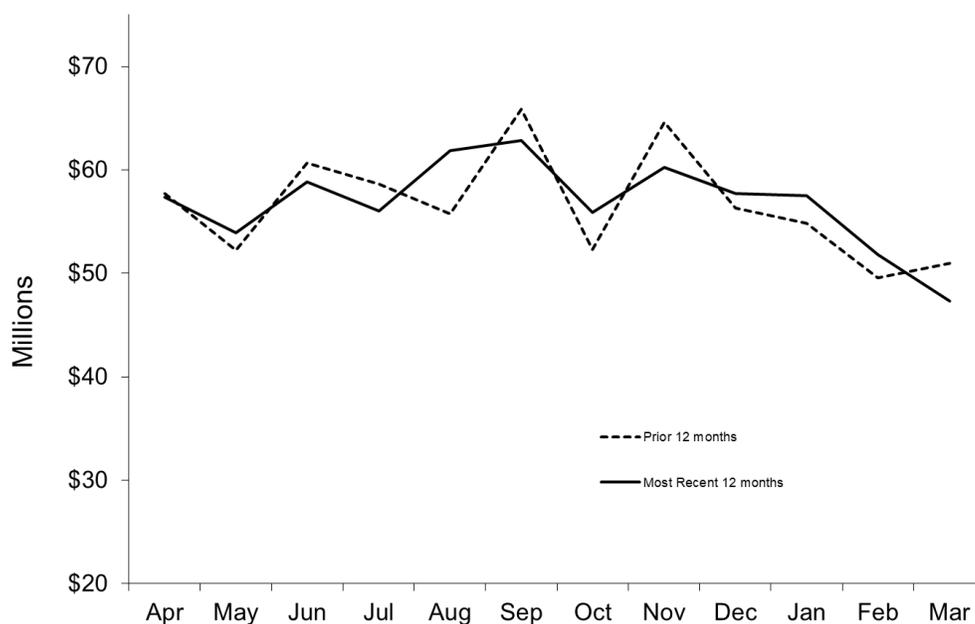
Fuel Tax Monthly Report for March 2020

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.

Figure 1 compares monthly net collections across the last 24 months. In March 2020 collections were \$47.3 million, 7.2 percent lower than March of last year. This report does not include any of the COVID-19 impacts, because fuel distribution at the Supplier/Terminal level reported in this document occurred prior to the pandemic reaching Iowa. Year-over-year, motor fuel net collections declined by 4.6 percent and collections on diesel dropped by 11.9 percent. Monthly collections were higher than prior year numbers in six 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 March 2020, taxable gallons of motor fuel were 4.9 percent higher than in the previous March; taxable gallons of diesel were lower by 0.3 percent than in the prior March.

**Figure 1. Iowa Monthly Fuel Tax Collections Less Refunds and Credits:
Most Recent 12 Months Compared to Prior 12 Months for March 2020**



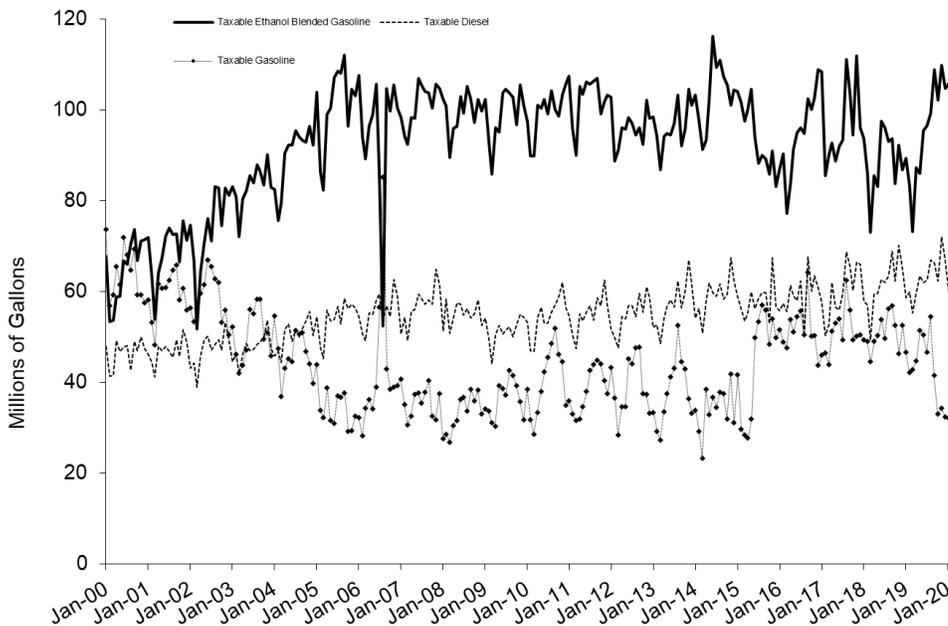
Source: Iowa Department of Revenue

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 September 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 65.8 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 March 2020, gallons of ethanol blended gasoline represented 79.7 percent of motor fuel taxable gallons.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – March 2020



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 March 2020**

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$7,179,470	\$26,760,443	\$202,039	\$4,157
Collections	Total Remitted	\$34,146,110			
Permit Refunds	Total Refunded	<u>\$2,333,192</u>			
Collections Less Permit Refunds		Current Month \$31,812,918	Fiscal YTD \$338,877,176	Prior FYTD \$338,104,328	Change 0.23%

SPECIAL FUEL

Detailed Collections	Aviation Jet	Diesel	B11 or Higher		
		\$162,187	\$16,061,178	\$904,588	
Collections	Total Remitted	\$17,127,954			
Permit Refunds	Total Refunded	<u>\$673,742</u>			
Collections Less Permit Refunds		Current Month \$16,454,212	Fiscal YTD \$171,581,433	Prior FYTD \$171,691,518	Change -0.06%

LPG, LNG, & CNG

Detailed Collections	LPG	LNG	CNG		
		\$13,668	\$0	\$63,785	
Collections	Total Remitted	\$77,453			
Permit Refunds	Total Refunded	<u>\$3,374</u>			
Collections Less Permit Refunds		Current Month \$74,078	Fiscal YTD \$660,428	Prior FYTD \$800,000	Change -17.45%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections	Miscellaneous	Accounts Receivable	
		\$0	\$100,479
Collections	Total Remitted	<u>\$100,479</u>	
Misc. & Account Receivable		Current Month \$100,479	Fiscal YTD \$2,491,243
			Prior FYTD \$202,885
			Change 1127.91%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$51,451,996	\$554,180,832	\$552,321,535	0.34%
Refunds				
Permit Refunds Including Interest	\$3,010,309			
Motor Fuel Individual/Corporate Credits	<u>\$1,117,325</u>			
Total Refunds and Credits	\$4,127,634	\$42,983,410	\$43,504,193	-1.20%
Collections Less Permit Refunds and Credits	\$47,324,362	\$511,197,422	\$508,817,342	0.47%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	29,906,119	267,660,220	920,914	61,250	298,548,503
Exported Gallons	4,825,212	169,205,683	178,486	6,230	174,215,611
Distribution Allowance	401,243	1,564,599	10,751	429	1,977,022
Total Taxable Gallons	24,679,664	96,889,938	731,677	54,591	122,355,870
Remitted	\$7,179,470	\$26,760,443	\$202,039	\$4,157	\$34,146,110

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	4,803,536	64,488,851	9,978,998	79,271,385
Exported Gallons	1,373,630	12,337,616	6,751,642	20,462,888
Distribution Allowance	23,316	362,575	7,036	392,927
Total Taxable Gallons	3,406,590	51,788,660	3,220,320	58,415,570
Remitted	\$162,187	\$16,061,178	\$904,588	\$17,127,954

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	17,432	0	205,759
Remitted	\$13,668	\$0	\$63,785

REFUND SUMMARY**DOLLARS**

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
10	Agricultural	1,544	13,515	0	0	15,059
5	Federal Government	5,516	603	11	0	6,129
5	State Government	3,926	53	0	0	3,978
80	Other Political	78,918	13,433	2,358	0	94,708
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
29	Denaturing Alcohol	1,777,918	0	0	0	1,777,918
50	Commercial	45,643	185,732	1,006	0	232,381
0	Refund Agent	0	0	0	0	0
8	Transport Diversions	397,266	67,294	0	0	464,560
0	Casualty Losses	0	0	0	0	0
1	Special Fuel Blending	0	759	0	0	759
8	Excess Tax on Blended Fuel	22,462	392,355	0	0	414,817
196	TOTALS	\$2,333,192	\$673,742	\$3,374	\$0	\$3,010,309

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$82,187