



Iowa Department of **REVENUE**

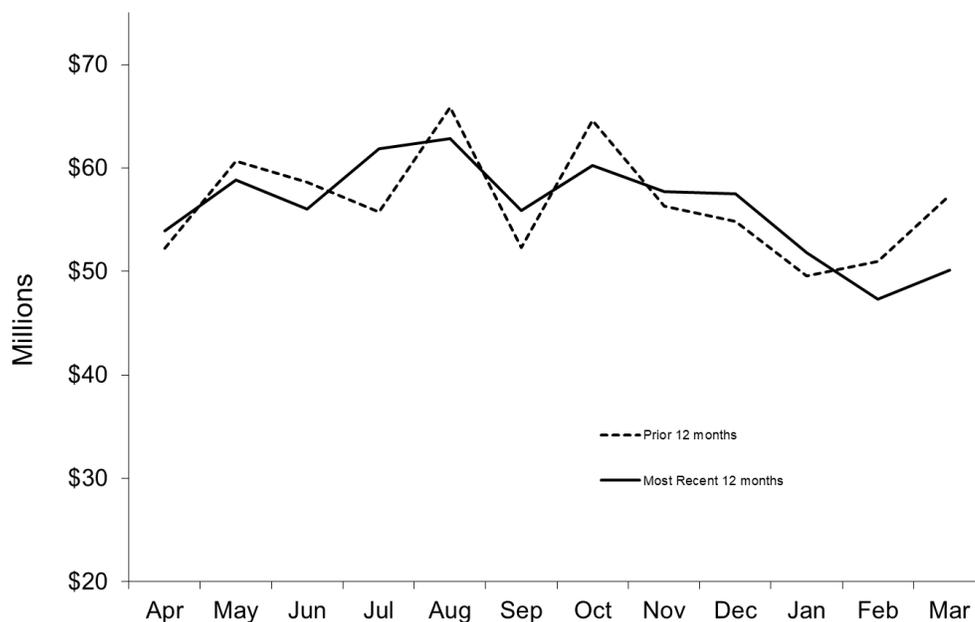
Fuel Tax Monthly Report for April 2020

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 April 2020 collections were \$50.1 million, 12.6 percent lower than April of last year. Year-over-year, motor fuel net collections declined by 18.3 percent and collections on diesel dropped by 3.1 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 April 2020, taxable gallons of motor fuel were 10.4 percent lower than in the previous April; taxable gallons of diesel were higher by 2.4 percent than in the prior April.

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



Source: Iowa Department of Revenue

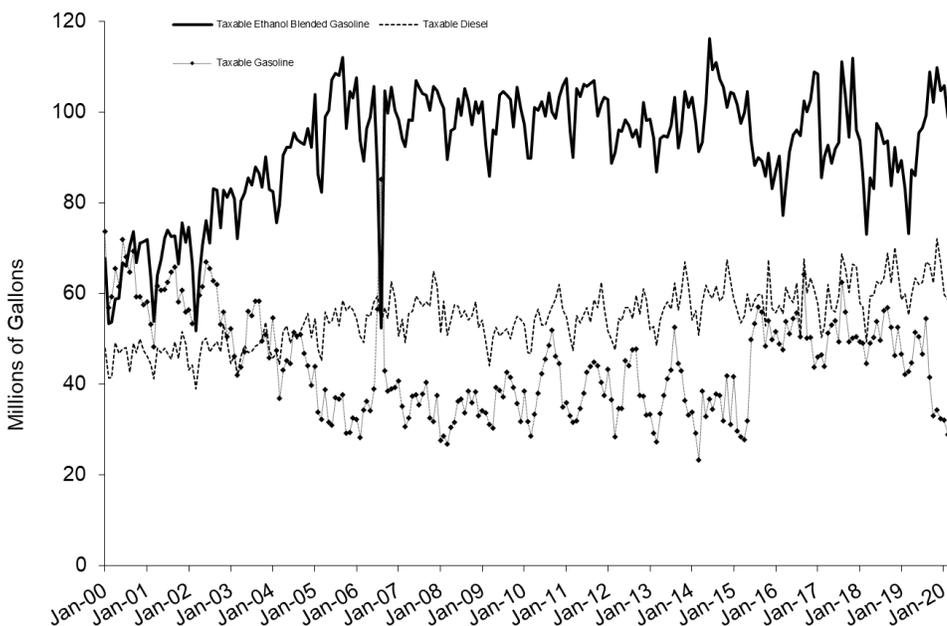
Collections and gallon amounts contained in this report are from the Supplier/Terminal or "Rack" level, not the retail level. Further blending of products may occur along the fuel distribution chain.

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 66.0 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 April 2020, gallons of ethanol blended gasoline represented 78.0 percent of motor fuel taxable gallons.

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

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$7,988,539	\$26,905,628	\$231,619	\$14,486
Collections	Total Remitted	\$35,140,272			
Permit Refunds	Total Refunded	<u>\$3,483,562</u>			
Collections Less Permit Refunds		Current Month \$31,656,711	Fiscal YTD \$370,533,887	Prior FYTD \$376,859,776	Change -1.68%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$166,602	\$18,074,166	\$1,703,247
Collections	Total Remitted	\$19,944,015			
Permit Refunds	Total Refunded	<u>\$869,657</u>			
Collections Less Permit Refunds		Current Month \$19,074,358	Fiscal YTD \$190,655,791	Prior FYTD \$191,375,127	Change -0.38%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$19,189	\$0	\$68,021
Collections	Total Remitted	\$87,210			
Permit Refunds	Total Refunded	<u>\$16,644</u>			
Collections Less Permit Refunds		Current Month \$70,566	Fiscal YTD \$730,994	Prior FYTD \$864,137	Change -15.41%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable	
			\$0	\$5,440
Collections	Total Remitted	<u>\$5,440</u>		
Misc. & Account Receivable		Current Month \$5,440	Fiscal YTD \$2,496,683	Prior FYTD \$202,885 1130.59%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$55,176,937	\$609,357,769	\$614,801,802	-0.89%
Refunds				
Permit Refunds Including Interest	\$4,369,910			
Motor Fuel Individual/Corporate Credits	<u>\$669,869</u>			
Total Refunds and Credits	\$5,039,779	\$48,023,189	\$48,632,663	-1.25%
Collections Less Permit Refunds and Credits	\$50,137,158	\$561,334,580	\$566,169,139	-0.85%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	30,822,248	240,757,435	951,801	199,892	272,731,376
Exported Gallons	4,370,257	147,080,589	146,192	18,350	151,615,388
Distribution Allowance	421,506	1,487,004	11,823	1,538	1,921,871
Total Taxable Gallons	26,030,485	92,189,842	793,786	180,004	119,194,117
Remitted	\$7,988,539	\$26,905,628	\$231,619	\$14,486	\$35,140,272

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	4,730,291	71,441,511	13,290,119	89,461,921
Exported Gallons	1,396,590	15,786,609	7,534,461	24,717,660
Distribution Allowance	22,171	384,956	17,492	424,619
Total Taxable Gallons	3,311,530	55,269,946	5,738,166	64,319,642
Remitted	\$166,602	\$18,074,166	\$1,703,247	\$19,944,015

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	97,245	0	219,425
Remitted	\$19,189	\$0	\$68,021

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
18	Agricultural	2,221	22,642	0	0	24,863
3	Federal Government	65,268	20,207	0	0	85,475
10	State Government	152,396	8,007	0	0	160,403
190	Other Political	279,586	90,997	147	47	370,777
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
39	Denaturing Alcohol	2,737,513	0	0	0	2,737,513
106	Commercial	50,235	222,032	16,498	0	288,764
0	Refund Agent	0	0	0	0	0
7	Transport Diversions	79,469	26,930	0	0	106,398
0	Casualty Losses	0	0	0	0	0
1	Special Fuel Blending	0	650	0	0	650
19	Excess Tax on Blended Fuel	116,873	478,193	0	0	595,066
393	TOTALS	\$3,483,562	\$869,657	\$16,644	\$47	\$4,369,910

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$94,111