



Iowa Department of **REVENUE**

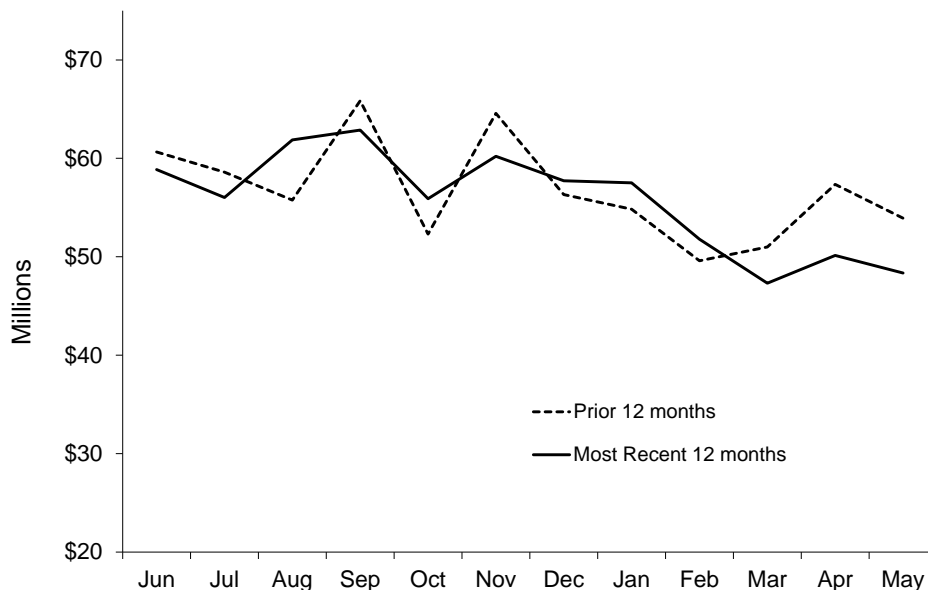
Fuel Tax Monthly Report for May 2020

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 May 2020 collections were \$48.4 million, 10.3 percent lower than May of last year. Year-over-year motor fuel net collections declined by 20.5 percent and collections on diesel increased by 8.3 percent. 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 2020, taxable gallons of motor fuel were 29.2 percent lower than in the previous May; taxable gallons of diesel were lower by 1.1 percent than in the prior May. The sharp year-over-year decrease reflects impacts of the coronavirus pandemic, economic lockdown, and reduction in travel.

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



Source: Iowa Department of Revenue

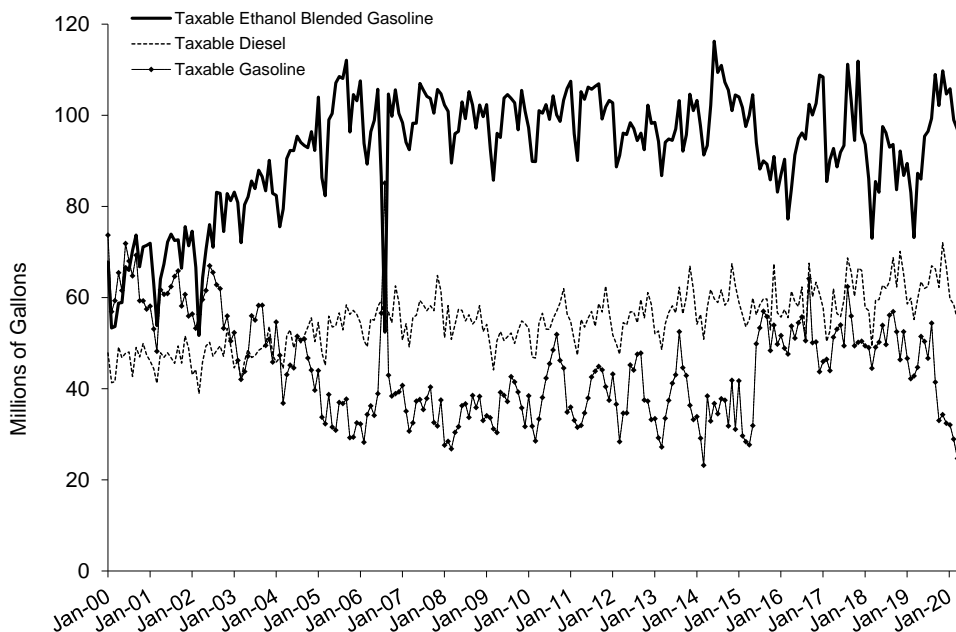
Collections and gallon amounts contained in this report are from the Supplier/Terminal or "Rack" level, not the retail level. Further blending of products may occur along the fuel distribution chain.

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 66.2 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 2020, gallons of ethanol blended gasoline represented 75.4 percent of motor fuel taxable gallons.

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

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$7,634,640	\$22,435,558	\$156,217	\$13,259
Collections	Total Remitted	\$30,239,674			
Permit Refunds	Total Refunded	<u>\$1,762,612</u>			
Collections Less Permit Refunds		Current Month \$28,477,062	Fiscal YTD \$399,010,949	Prior FYTD \$412,698,804	Change -3.32%

SPECIAL FUEL

Detailed Collections	Aviation Jet	Diesel	B11 or Higher		
		\$52,148	\$18,650,799	\$2,627,102	
Collections	Total Remitted	\$21,330,049			
Permit Refunds	Total Refunded	<u>\$1,173,592</u>			
Collections Less Permit Refunds		Current Month \$20,156,457	Fiscal YTD \$210,812,248	Prior FYTD \$209,991,059	Change 0.39%

LPG, LNG, & CNG

Detailed Collections	LPG	LNG	CNG		
		\$26,230	\$0	\$61,860	
Collections	Total Remitted	\$88,089			
Permit Refunds	Total Refunded	<u>\$0</u>			
Collections Less Permit Refunds		Current Month \$88,089	Fiscal YTD \$819,083	Prior FYTD \$963,580	Change -15.00%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections	Miscellaneous	Accounts Receivable			
		\$0	\$200		
Collections	Total Remitted	<u>\$200</u>			
Misc. & Account Receivable		Current Month \$200	Fiscal YTD \$2,496,883	Prior FYTD \$208,533	Change 1097.36%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$51,658,013	\$661,015,782	\$673,994,590	-1.93%
Refunds				
Permit Refunds Including Interest	\$2,936,424			
Motor Fuel Individual/Corporate Credits	<u>\$365,987</u>			
Total Refunds and Credits	\$3,302,411	\$51,325,600	\$53,901,730	-4.78%
Collections Less Permit Refunds and Credits	\$48,355,601	\$609,690,181	\$620,092,860	-1.68%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	28,972,744	157,587,608	585,060	169,798	187,315,210
Exported Gallons	4,695,441	82,988,946	66,926	11,292	87,762,605
Distribution Allowance	387,373	1,189,887	7,675	1,436	1,586,371
Total Taxable Gallons	23,889,930	73,408,775	510,459	157,070	97,966,234
Remitted	\$7,634,640	\$22,435,558	\$156,217	\$13,259	\$30,239,674

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	1,397,825	67,363,455	20,400,995	89,162,275
Exported Gallons	403,089	12,598,680	11,934,209	24,935,978
Distribution Allowance	6,396	375,446	28,173	410,015
Total Taxable Gallons	988,340	54,389,329	8,438,613	63,816,282
Remitted	\$52,148	\$18,650,799	\$2,627,102	\$21,330,049

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	53,953	0	199,548
Remitted	\$26,230	\$0	\$61,860

REFUND SUMMARY**DOLLARS**

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
14	Agricultural	1,924	10,672	0	0	12,596
1	Federal Government	2,328	205	0	0	2,533
7	State Government	16,651	20	0	0	16,670
85	Other Political	115,798	35,395	0	0	151,193
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
20	Denaturing Alcohol	1,524,990	0	0	0	1,524,990
81	Commercial	37,881	413,243	0	0	451,125
0	Refund Agent	0	0	0	0	0
11	Transport Diversions	11,322	49,671	0	0	60,993
0	Casualty Losses	0	0	0	0	0
0	Special Fuel Blending	0	0	0	0	0
18	Excess Tax on Blended Fuel	51,718	664,386	0	220	716,324
237	TOTALS	\$1,762,612	\$1,173,592	\$0	\$220	\$2,936,424

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$178,498