



Iowa Department of REVENUE

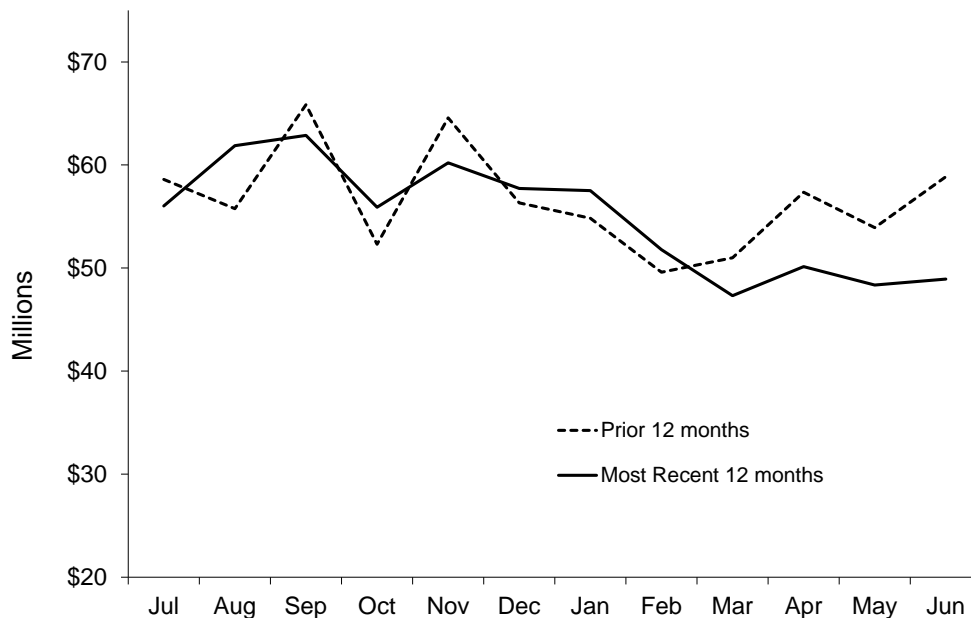
Fuel Tax Monthly Report for June 2020

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 June 2020 collections were \$48.9 million, 16.9 percent lower than June of last year. Year-over-year motor fuel net collections declined by 22 percent and collections on diesel decreased by 6.4 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 June 2020, taxable gallons of motor fuel were 22.7 percent lower than in the previous June; taxable gallons of diesel were lower by 6.3 percent than in the prior June. 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 June 2020



Source: Iowa Department of Revenue

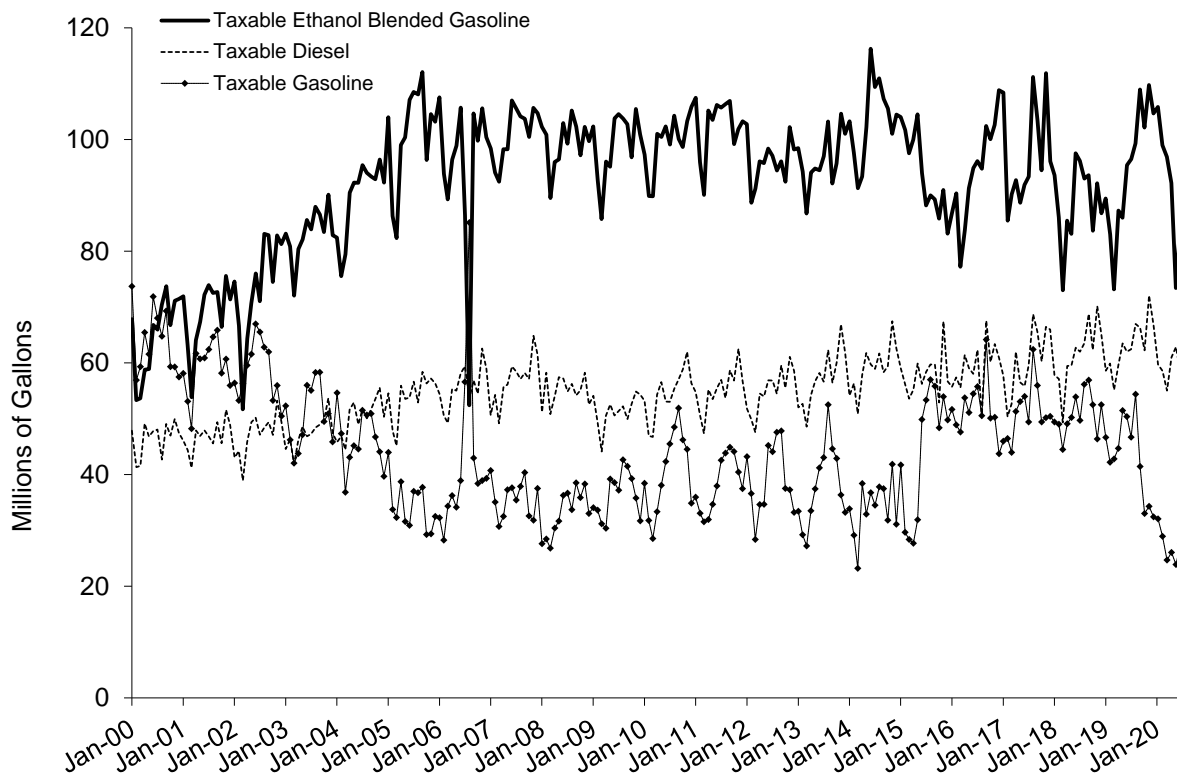
Collections and gallon amounts contained in this report are from the Supplier/Terminal or "Rack" level, not the retail level. Further blending of products may occur along the fuel distribution chain. This is the

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 66.3 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 June 2020, gallons of ethanol blended gasoline represented 75.6 percent of motor fuel taxable gallons.

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

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$8,512,607	\$24,995,981	\$169,562	\$12,934
Collections	Total Remitted	\$33,691,083			
Permit Refunds	Total Refunded	\$2,363,429			
Collections Less Permit Refunds		Current Month \$31,327,654	Fiscal YTD \$430,338,603	Prior FYTD \$452,845,948	Change -4.97%

SPECIAL FUEL

Detailed Collections	Aviation Jet	Diesel	B11 or Higher		
		\$75,668	\$16,240,752	\$2,617,110	
Collections	Total Remitted	\$18,933,530			
Permit Refunds	Total Refunded	\$1,229,020			
Collections Less Permit Refunds		Current Month \$17,704,510	Fiscal YTD \$228,516,758	Prior FYTD \$228,897,010	Change -0.17%

LPG, LNG, & CNG

Detailed Collections	LPG	LNG	CNG		
		\$18,710	\$0	\$54,418	
Collections	Total Remitted	\$73,128			
Permit Refunds	Total Refunded	\$16,909			
Collections Less Permit Refunds		Current Month \$56,219	Fiscal YTD \$875,302	Prior FYTD \$1,033,783	Change -15.33%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections	Miscellaneous	Accounts Receivable	
		\$0	\$24,827
Collections	Total Remitted	\$24,827	
Misc. & Account Receivable		Current Month \$24,827	Fiscal YTD \$2,521,710
			Prior FYTD \$209,033
			Change 1106.37%

TOTAL

Collections		Current Month \$52,722,568	Fiscal YTD \$713,738,350	Prior FYTD \$737,787,702	Change -3.26%
Refunds					
Permit Refunds Including Interest		\$3,609,358			
Motor Fuel Individual/Corporate Credits		\$188,928			
Total Refunds and Credits		\$3,798,286	\$55,123,886	\$58,836,515	-6.31%
Collections Less Permit Refunds and Credits		\$48,924,282	\$658,614,464	\$678,951,187	-3.00%

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For Gallons Reported on Returns Filed in June 2020**

MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	32,601,705	228,244,165	623,662	165,903	261,635,435
Exported Gallons	4,599,889	141,663,816	37,323	4,300	146,305,328
Distribution Allowance	446,991	1,380,672	8,154	1,724	1,837,541
Total Taxable Gallons	27,554,825	85,199,677	578,185	159,879	113,492,566
Remitted	\$8,512,607	\$24,995,981	\$169,562	\$12,934	\$33,691,083

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	1,967,575	59,434,440	22,031,759	83,433,774
Exported Gallons	462,395	9,798,162	13,226,983	23,487,540
Distribution Allowance	8,681	340,701	32,315	381,697
Total Taxable Gallons	1,496,499	49,295,577	8,772,461	59,564,537
Remitted	\$75,668	\$16,240,752	\$2,617,110	\$18,933,530

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	39,625	0	175,543
Remitted	\$18,710	\$0	\$54,418

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
27	Agricultural	3,849	18,401	0	0	22,250
4	Federal Government	199,814	81,795	0	0	281,609
9	State Government	24,664	298	0	0	24,961
124	Other Political	191,944	37,414	1,512	0	230,870
0	Urban Transit	0	0	0	0	0
0	Regional Transit	0	0	0	0	0
0	Native American	0	0	0	0	0
1	Contract Carrier	734	971	0	0	1,705
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
41	Denaturing Alcohol	1,445,280	0	0	0	1,445,280
100	Commercial	82,310	328,480	15,397	0	426,186
0	Refund Agent	0	0	0	0	0
12	Transport Diversions	304,387	44,046	0	0	348,433
0	Casualty Losses	0	0	0	0	0
2	Special Fuel Blending	0	32,487	0	0	32,487
30	Excess Tax on Blended Fuel	110,447	685,128	0	0	795,575
350	TOTALS	\$2,363,429	\$1,229,020	\$16,909	\$0	\$3,609,358

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$79,177