



Iowa Department of **REVENUE**

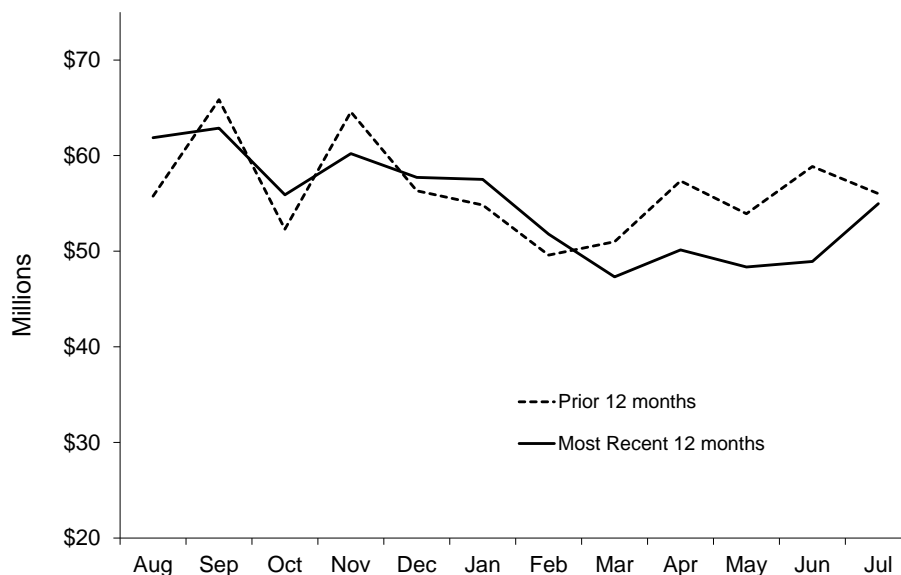
Fuel Tax Monthly Report for July 2020

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 July 2020 collections were \$55.0 million, 1.9 percent lower than July of last year. Year-over-year motor fuel net collections declined by 9.1 percent, while collections on diesel increased by 5.8 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 July 2020, taxable gallons of motor fuel were 8.9 percent lower than in the previous July; taxable gallons of diesel were higher by 3.7 percent than in the prior July. Overall, this is a decline of 5.1 percent, which is an improvement over the sharp year-over-year decrease in May of 20.3 percent. The downturn earlier this year reflected impacts of the coronavirus pandemic, economic lockdown, and reduction in travel. That impact seems to have relaxed in July, although a trend has not yet been established.

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



Source: Iowa Department of Revenue

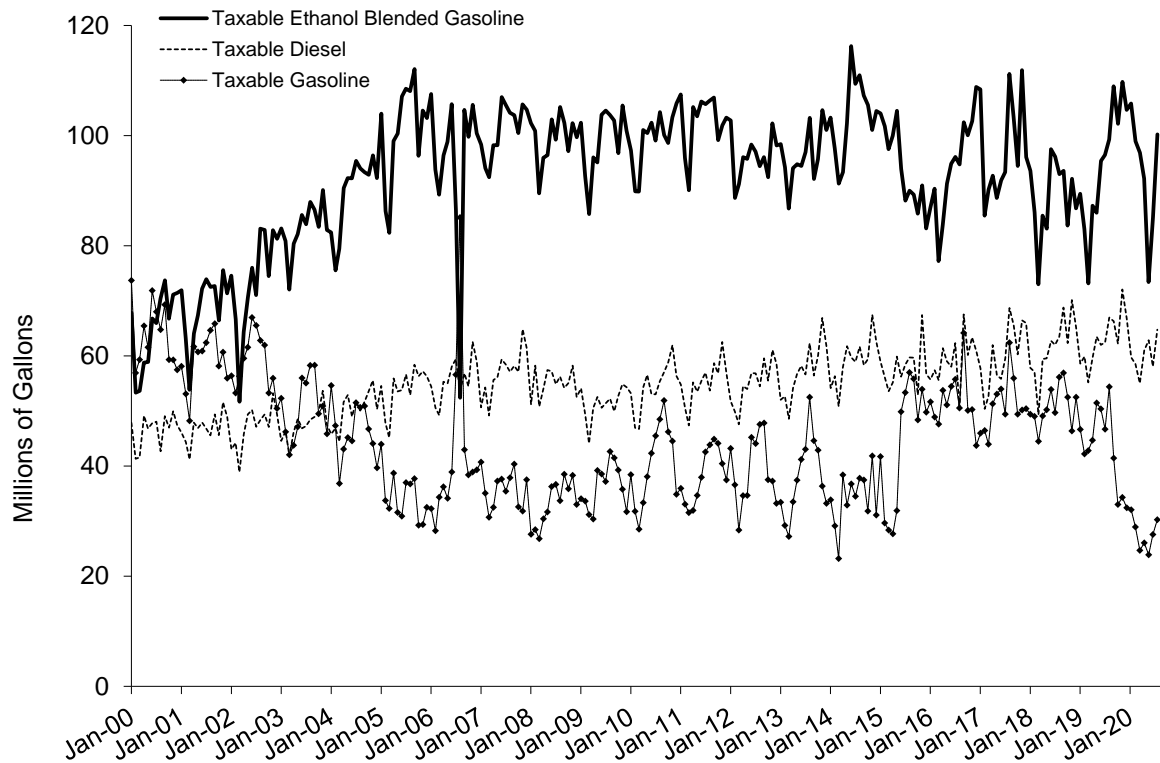
Collections and gallon amounts contained in this report are from the Supplier/Terminal or "Rack" level, not the retail level. Further blending of products may occur along the fuel distribution chain. This is the

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 66.5 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 July 2020, gallons of ethanol blended gasoline represented 76.8 percent of motor fuel taxable gallons.

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

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$8,965,948	\$28,113,563	\$191,904	\$12,386
Collections	Total Remitted	\$37,283,801			
Permit Refunds	Total Refunded	\$2,756,195			
Collections Less Permit Refunds		Current Month \$34,527,606	Fiscal YTD \$34,527,606	Prior FYTD \$38,002,818	Change -9.14%

SPECIAL FUEL

Detailed Collections	Aviation Jet	Diesel	B11 or Higher		
		\$96,932	\$16,951,614	\$3,119,524	
Collections	Total Remitted	\$20,168,070			
Permit Refunds	Total Refunded	\$1,320,399			
Collections Less Permit Refunds		Current Month \$18,847,672	Fiscal YTD \$18,847,672	Prior FYTD \$17,817,996	Change 5.78%

LPG, LNG, & CNG

Detailed Collections	LPG	LNG	CNG		
		\$13,186	\$0	\$12,339	
Collections	Total Remitted	\$25,525			
Permit Refunds	Total Refunded	\$6,761			
Collections Less Permit Refunds		Current Month \$18,764	Fiscal YTD \$18,764	Prior FYTD \$46,765	Change -59.88%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections	Miscellaneous	Accounts Receivable			
		\$0	\$1,821,594		
Collections	Total Remitted	\$1,821,594			
Misc. & Account Receivable		Current Month \$1,821,594	Fiscal YTD \$1,821,594	Prior FYTD \$247,363	Change 636.41%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$59,298,990	\$59,298,990	\$60,703,724	-2.31%
Refunds				
Permit Refunds Including Interest	\$4,083,355			
Motor Fuel Individual/Corporate Credits	\$252,490			
Total Refunds and Credits	\$4,335,845	\$4,335,845	\$4,688,468	-7.52%
Collections Less Permit Refunds and Credits	\$54,963,145	\$54,963,145	\$56,015,256	-1.88%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	37,014,243	265,943,703	912,471	174,599	304,045,016
Exported Gallons	6,288,374	164,108,422	216,113	13,100	170,626,009
Distribution Allowance	491,608	1,622,770	9,528	1,180	2,125,086
Total Taxable Gallons	30,234,261	100,212,511	686,830	160,319	131,293,921
Remitted	\$8,965,948	\$28,113,563	\$191,904	\$12,386	\$37,283,801

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	3,128,078	66,956,746	24,848,243	94,933,067
Exported Gallons	1,108,044	12,768,542	13,864,672	27,741,258
Distribution Allowance	12,802	370,711	39,535	423,048
Total Taxable Gallons	2,007,232	53,817,493	10,944,036	66,768,761
Remitted	\$96,932	\$16,951,614	\$3,119,524	\$20,168,070

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	61,718	0	39,803
Remitted	\$13,186	\$0	\$12,339

REFUND SUMMARY**DOLLARS**

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
16	Agricultural	1,902	17,449	0	0	19,351
2	Federal Government	57,423	15,938	0	0	73,361
21	State Government	329,975	259,760	0	0	589,735
346	Other Political	446,272	114,496	6,761	0	567,530
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
1	Extract of Nat'l Deposits	0	41,493	0	0	41,493
29	Denaturing Alcohol	1,620,914	0	0	0	1,620,914
105	Commercial	35,902	275,243	0	0	311,145
0	Refund Agent	0	0	0	0	0
3	Transport Diversions	6,567	21,990	0	0	28,557
1	Casualty Losses	0	0	0	0	0
0	Special Fuel Blending	0	0	0	0	0
24	Excess Tax on Blended Fuel	257,239	574,031	0	0	831,270
548	TOTALS	\$2,756,195	\$1,320,399	\$6,761	\$0	\$4,083,355

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$114,026