



Iowa Department of **REVENUE**

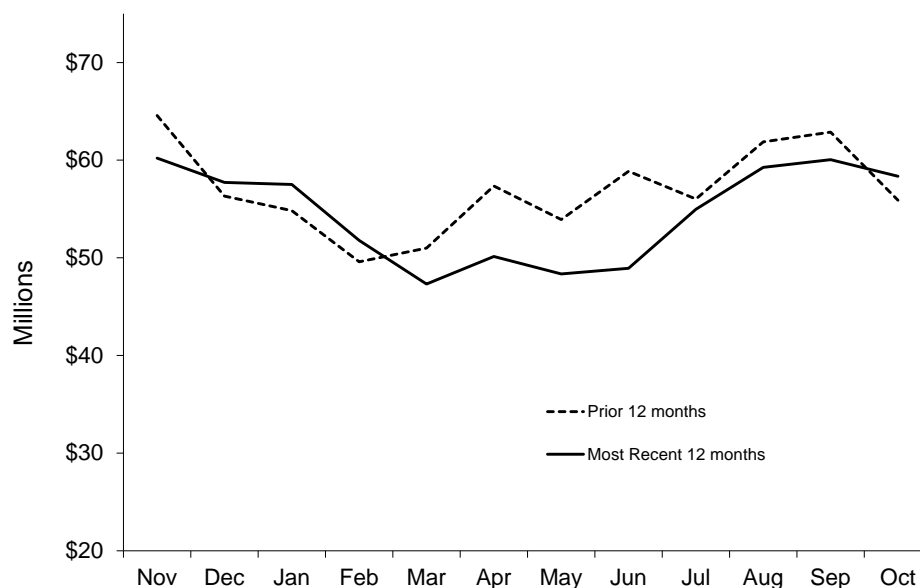
Fuel Tax Monthly Report for October 2020

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 October 2020 collections were \$58.3 million, 4.4 percent higher than October of last year. Year-over-year motor fuel net collections declined by 10.1 percent and collections on diesel increased by 12.6 percent. Monthly collections were higher than prior year numbers in four 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 October 2020, taxable gallons of motor fuel were 6.5 percent lower than in the previous October; taxable gallons of diesel were higher by 8.0 percent than in the prior October. The downturn earlier this year reflected impacts of the corona virus pandemic, economic lockdown, and reduction in travel. That impact has relaxed since June, although a reliable 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 October 2020**



Source: Iowa Department of Revenue

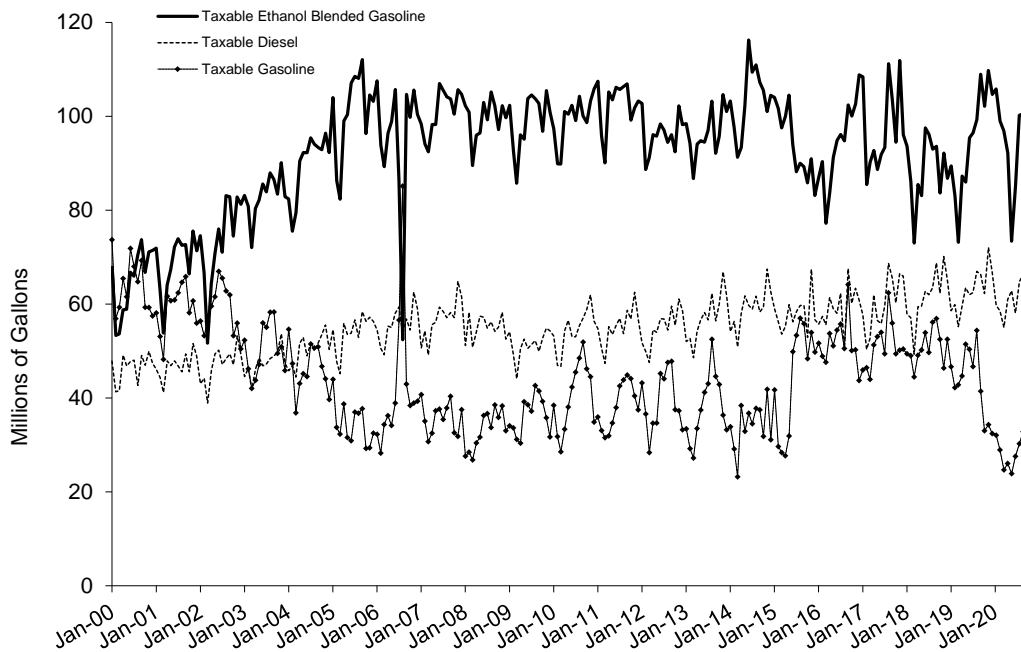
Collections and gallon amounts contained in this report are from the Supplier/Terminal or "Rack" level, not the retail level. Further blending of products may occur along the fuel distribution chain.

This is the case for most E15 or Higher (gasoline blended with 15 percent of ethanol or higher percentages) 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 October 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 66.9 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 October 2020, gallons of ethanol blended gasoline represented 73.5 percent of motor fuel taxable gallons.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – October 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 30.0 cents per gallon and collects tax on the resulting ethanol blended gasoline at 24.0 cents per gallon. Therefore, the additional 6.0 cents paid on the gasoline is eligible for refund; similarly for the 2.4 cent gap between taxes on diesel and B11 or higher blends. The denaturing alcohol refund applies when the denaturant (gasoline) taxed at 30.0 cents per gallon is blended with food grade alcohol to produce ethanol blended gasoline E15 or Higher. 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 October 2020

MOTOR FUEL

Detailed Collections	Gasoline	E10 to E14	E15 or Higher	Aviation Gasoline	
	\$10,441,652	\$28,903,980	\$824,972	\$15,018	
Collections	Total Remitted	\$40,185,622			
Permit Refunds	Total Refunded	\$2,664,238			
Collections Less Permit Refunds		Current Month \$37,521,384	Fiscal YTD \$150,288,989	Prior FYTD \$157,775,988	Change -4.75%

SPECIAL FUEL

Detailed Collections	Aviation Jet	Diesel	B11 or Higher		
	\$109,753	\$19,101,540	\$3,392,900		
Collections	Total Remitted	\$22,604,193			
Permit Refunds	Total Refunded	\$1,642,878			
Collections Less Permit Refunds		Current Month \$20,961,315	Fiscal YTD \$81,063,514	Prior FYTD \$76,931,478	Change 5.37%

LPG, LNG, & CNG

Detailed Collections	LPG	LNG	CNG		
	\$14,927	\$0	\$35,726		
Collections	Total Remitted	\$50,653			
Permit Refunds	Total Refunded	\$3			
Collections Less Permit Refunds		Current Month \$50,650	Fiscal YTD \$189,167	Prior FYTD \$298,783	Change -36.69%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections	Miscellaneous	Accounts Receivable			
	\$0	\$28,666			
Collections	Total Remitted	\$28,666			
Misc. & Account Receivable		Current Month \$28,666	Fiscal YTD \$1,855,895	Prior FYTD \$2,386,338	Change -22.23%

TOTAL

Collections	Current Month \$62,869,134	Fiscal YTD \$250,078,340	Prior FYTD \$255,181,615	Change -2.00%
Refunds				
Permit Refunds Including Interest	\$4,307,119			
Motor Fuel Individual/Corporate Credits	\$216,103			
Total Refunds and Credits	\$4,523,222	\$17,451,662	\$18,532,413	-5.83%
Collections Less Permit Refunds and Credits	\$58,345,912	\$232,626,678	\$236,649,202	-1.70%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	E10 to E14	E15 or Higher	Aviation Gas	Motor Fuel Total
Gross Gallons Received	39,327,206	266,625,169	3,705,524	201,486	309,859,385
Exported Gallons	5,367,482	172,201,148	352,826	19,500	177,940,956
Distribution Allowance	542,164	1,507,972	52,369	1,732	2,104,237
Total Taxable Gallons	33,417,560	92,916,049	3,300,329	180,254	129,814,192
Remitted	\$10,441,652	\$28,903,980	\$824,972	\$15,018	\$40,185,622

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	3,192,985	70,629,888	26,971,124	100,793,997
Exported Gallons	1,071,466	13,810,554	16,113,367	30,995,387
Distribution Allowance	13,976	389,128	35,105	438,209
Total Taxable Gallons	2,107,543	56,430,206	10,822,652	69,360,401
Remitted	\$109,753	\$19,101,540	\$3,392,900	\$22,604,193

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	51,574	0	115,243
Remitted	\$14,927	\$0	\$35,726

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
24	Agricultural	2,540	45,568	0	0	48,108
6	Federal Government	128,899	17,502	3	0	146,404
14	State Government	19,676	79	0	0	19,755
215	Other Political	322,501	86,372	0	0	408,872
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
36	Denaturing Alcohol	1,893,805	0	0	0	1,893,805
110	Commercial	78,155	502,651	0	0	580,807
0	Refund Agent	0	0	0	0	0
13	Transport Diversions	73,329	76,343	0	0	149,672
0	Casualty Losses	0	0	0	0	0
0	Special Fuel Blending	0	0	0	0	0
29	Excess Tax on Blended Fuel	145,333	914,363	0	0	1,059,696
447	TOTALS	\$2,664,238	\$1,642,878	\$3	\$0	\$4,307,119

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$101,766