

Iowa Department of REVENUE

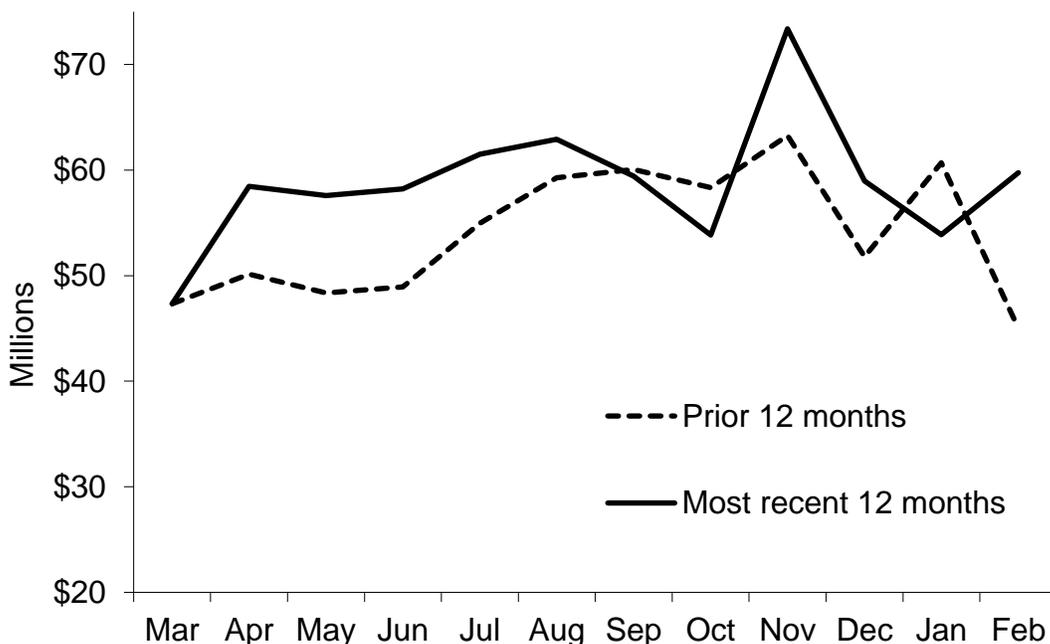
Fuel Tax Monthly Report for February 2022

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 February 2022, collections were \$59.8 million, 32.8 percent higher than February of last year. Year-over-year motor fuel net collections increased by 31.0 percent and collections on diesel increased by 38.8 percent. Monthly collections were higher than prior year numbers in nine 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 February 2022, taxable gallons of motor fuel were 16.6 percent higher than in the previous February; taxable gallons of diesel were 20.0 percent higher than in the prior February.

Figure 1. Iowa Monthly Fuel Tax Collections Less Refunds and Credits: Most Recent 12 Months Compared to Prior 12 Months for February 2022



Source: Iowa Department of Revenue

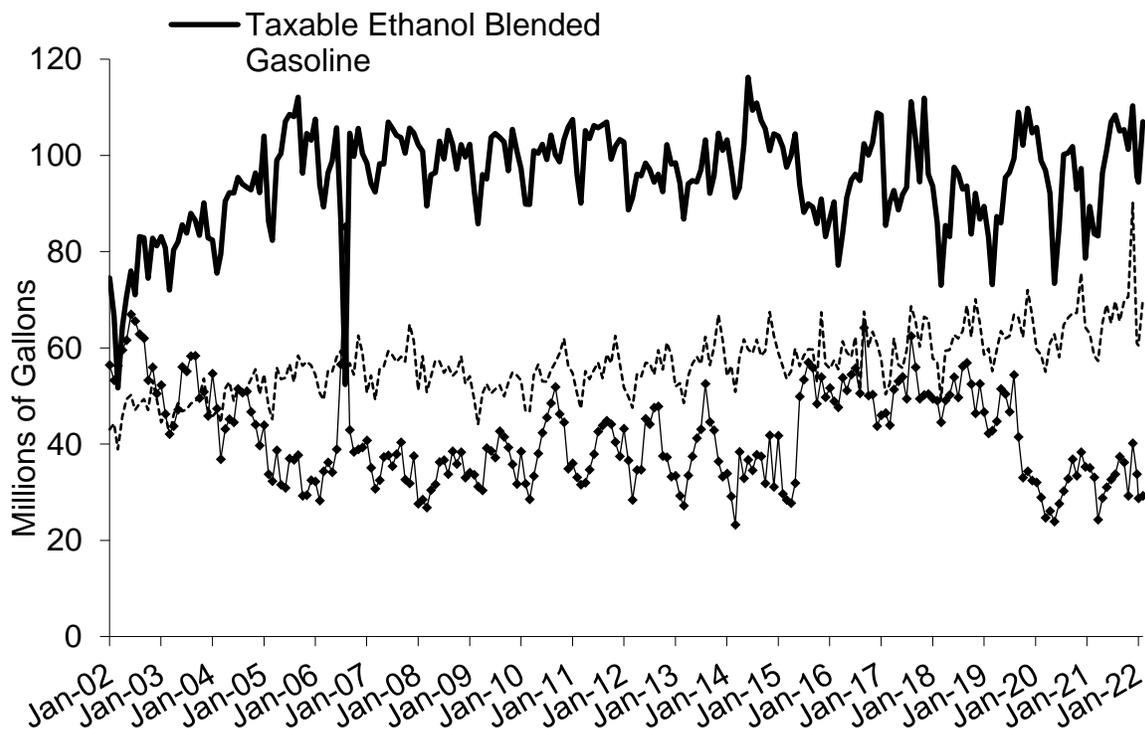
Collections and gallon amounts contained in this report are from the Supplier/Terminal or "Rack" level, not the retail level. Further blending of products may occur along the fuel distribution chain. This is the case for most E15 or Higher (gasoline blended with 15 percent of ethanol or higher percentages)

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 2002, taxable sales of ethanol blended gasoline and gasoline were roughly equal. As Figure 2 shows, demand shifted over the next several 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 68.4 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 February 2022, gallons of ethanol blended gasoline represented 78.6 percent of motor fuel taxable gallons.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2002 – February 2022



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 30.4 cents per gallon and collects tax on the resulting ethanol blended gasoline at 24.0 cents per gallon. Therefore, the additional 6.4 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 30.4 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 February 2022

MOTOR FUEL

Detailed Collections	Gasoline	E10 to E14	E15 or Higher	Aviation Gasoline	
	\$8,745,160	\$31,054,715	\$1,342,956	\$9,272	
Collections	Total Remitted	\$41,152,104			
Permit Refunds	Total Refunded	<u>\$3,000,482</u>			
Collections Less Permit Refunds		Current Month \$38,151,621	Fiscal YTD \$314,422,716	Prior FYTD \$290,721,704	Change 8.15%

SPECIAL FUEL

Detailed Collections	Aviation Jet	Diesel	B11 or Higher		
	\$173,559	\$21,734,182	\$703,534		
Collections	Total Remitted	\$22,611,274			
Permit Refunds	Total Refunded	<u>\$970,871</u>			
Collections Less Permit Refunds		Current Month \$21,640,403	Fiscal YTD \$169,829,836	Prior FYTD \$161,090,606	Change 5.43%

LPG, LNG, & CNG

Detailed Collections	LPG	LNG	CNG		
	\$8,073	\$0	\$58,661		
Collections	Total Remitted	\$66,735			
Permit Refunds	Total Refunded	<u>\$848</u>			
Collections Less Permit Refunds		Current Month \$65,886	Fiscal YTD \$594,589	Prior FYTD \$540,568	Change 9.99%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections	Miscellaneous	Accounts Receivable			
	\$0	\$0			
Collections	Total Remitted	<u>\$0</u>			
Misc. & Account Receivable		Current Month \$0	Fiscal YTD \$61,769	Prior FYTD \$2,193,632	Change -97.18%

TOTAL

Collections	Current Month \$63,830,112	Fiscal YTD \$518,043,466	Prior FYTD \$486,385,540	Change 6.51%
Refunds				
Permit Refunds Including Interest	\$3,981,050			
Motor Fuel Individual/Corporate Credits	<u>\$85,523</u>			
Total Refunds and Credits	\$4,066,573	\$34,374,081	\$32,998,471	4.17%
Collections Less Permit Refunds and Credits	\$59,763,539	\$483,669,385	\$453,387,069	6.68%

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For Gallons Reported on Returns Filed in February 2022

MOTOR FUEL GALLONS SUMMARY

	Gasoline	E10 to E14	E15 or Higher	Aviation Gas	Motor Fuel Total
Gross Gallons Received	35,858,617	213,515,355	6,015,763	127,233	255,516,968
Exported Gallons	6,176,609	104,814,666	224,591	5,500	111,221,366
Distribution Allowance	473,898	1,723,820	90,893	1,280	2,289,891
Total Taxable Gallons	29,208,110	106,976,869	5,700,279	120,453	142,005,711
Remitted	\$8,745,160	\$31,054,715	\$1,342,956	\$9,272	\$41,152,104

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	5,079,460	83,545,841	10,736,499	99,361,800
Exported Gallons	1,584,073	15,312,719	8,389,256	25,286,048
Distribution Allowance	24,212	475,088	7,488	506,788
Total Taxable Gallons	3,471,175	67,758,034	2,339,755	73,568,964
Remitted	\$173,559	\$21,734,182	\$703,534	\$22,611,274

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	55,561	0	177,384
Remitted	\$8,073	\$0	\$58,661

REFUND SUMMARY

DOLLARS

Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
9	Agricultural	3,249	9,096	0	0	12,345
3	Federal Government	284,335	34,874	0	6,856	326,065
13	State Government	46,418	957	0	0	47,375
113	Other Political	172,048	46,430	848	23	219,349
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	10,423	0	0	10,423
26	Denaturing Alcohol	1,631,200	0	0	1,228	1,632,428
57	Commercial	42,639	274,290	0	586	317,515
0	Refund Agent	0	0	0	0	0
6	Transport Diversions	2,870	13,166	0	155	16,192
0	Casualty Losses	0	0	0	0	0
0	Special Fuel Blending	0	0	0	0	0
35	Excess Tax on Blended Fuel	817,723	581,634	0	0	1,399,357
263	TOTALS	\$3,000,482	\$970,871	\$848	\$8,849	\$3,981,050

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$86,767