



Iowa Department of **REVENUE**

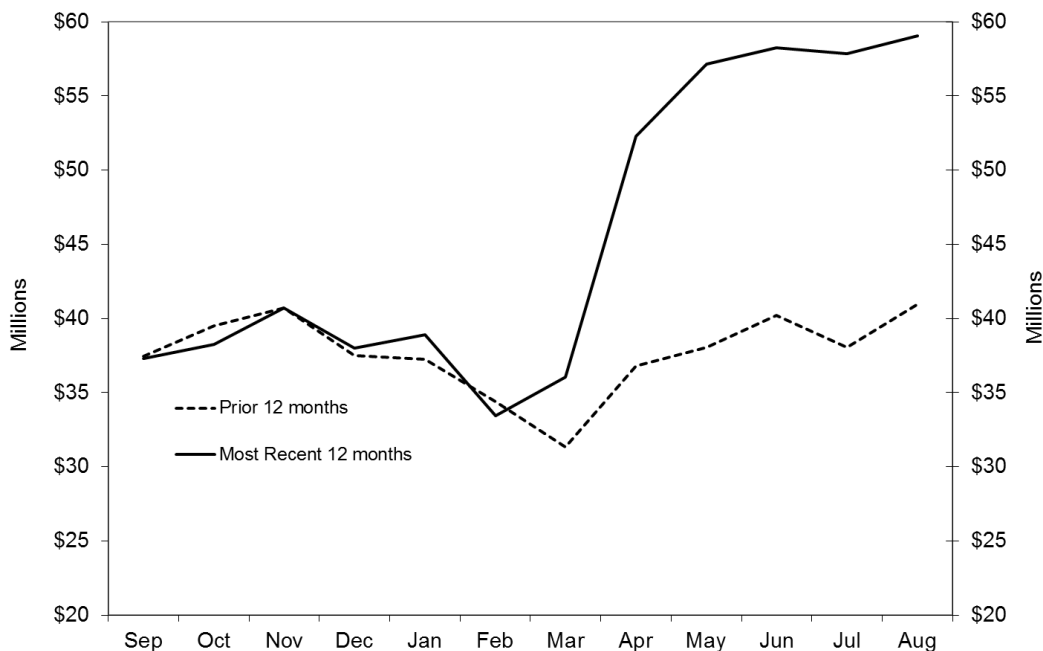
Fuel Tax Monthly Report for August 2015

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 captures information on a monthly basis and is made available on the Motor Fuel monthly reports page of the [Iowa Department of Revenue website](#). The Monthly Report is available no later than the last working day of the month following the tax reporting period covered in the Monthly Report. For example, information for the tax period June 1 through June 30, which is reported to the Department of Revenue during the reporting period July 1 to July 31, is contained in the July Monthly Report.

Page 3 of the report shows monthly collections for ten fuel types as well as collections from prior tax periods reported as accounts receivable. Fiscal Year-To-Date and Prior Fiscal Year-To-Date collections, refunds and credits, and collections less refunds and credits are also provided, along with the percent change between the two years. Refund claims can be filed throughout the year, while credits are claimed only once a year on annual income tax returns.

Figure 1 compares monthly net collections across the last 24 months. Net collections were \$59.0 million in August 2015, \$18.1 million higher than in August 2014. The rise in net collections reflects the tax rate increases that became effective on March 1, 2015. With a reported 207.7 million taxable gallons of various fuel types subject to the higher tax rates, including 4.2 million gallons of B11 or higher biodiesel subject to a lower tax rate increase effective July 1, 2015, the estimated increase in collections during the month is \$20.6 million.

**Figure 1. Iowa Monthly Fuel Tax Collections Less Refunds and Credits:
Most Recent 12 Months Compared to Prior 12 Months for August 2015**



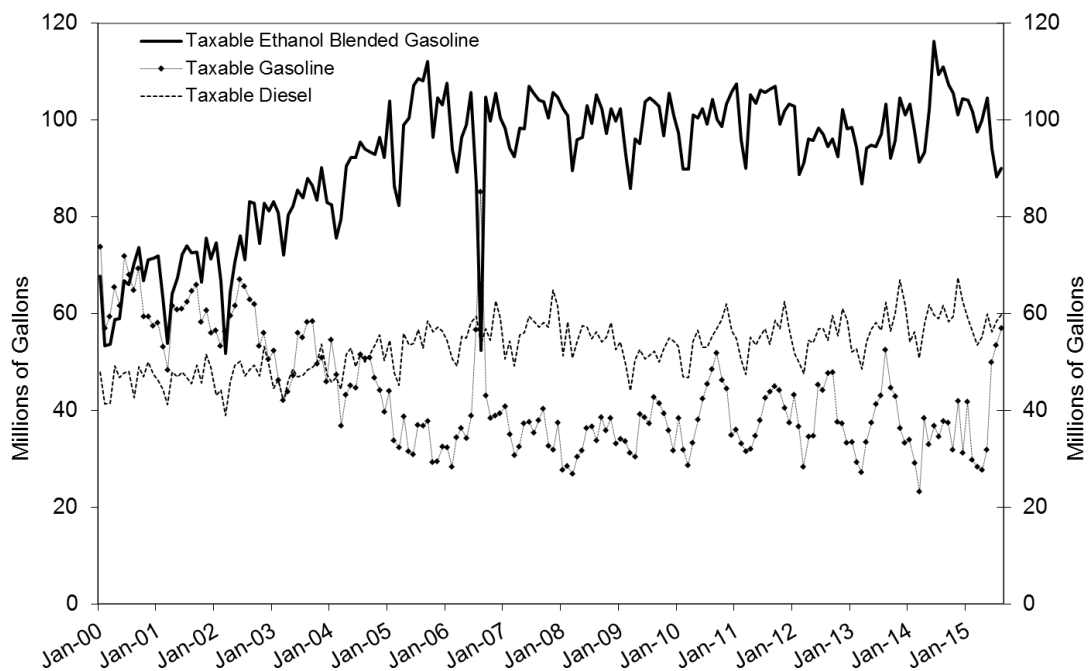
Source: Iowa Department of Revenue

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. Though infrequent, the number of taxable gallons may be reported in a month other than that for which taxes are remitted.

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 throughout 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.

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 August 2006 when a temporary price change drove a brief switch in demand. Over the last eight years, ethanol blended gasoline has accounted for a monthly average of 73 percent of taxable gallons of motor fuel. Since June 2015, the average percentage of taxable gallons reported as ethanol blended gasoline has fallen to just 63 percent, reflecting a change in the manner in which the types of taxable gallons are reported by suppliers. Year-to-year comparisons of ethanol blended gasoline’s share of total taxable gallons should be made with attention to this limitation.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: January 2000 – August 2015



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 ethanol blended gasoline, B11 or higher blends, and denaturing alcohol. The excess tax on ethanol blended gasoline refund results when a blender purchases gasoline taxed at 30.8 cents per gallon and collects tax on the resulting ethanol blended gasoline at 29.3 cents per gallon. Therefore, the additional 1.5 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 30.8 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 second page of the monthly report.

**Iowa Department of Revenue
Fuel Tax Monthly Report
For Gallons Reported on Returns Filed in August 2015**

MOTOR FUEL

Detailed Collections	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gasoline	
		\$17,626,661	\$26,452,576	\$318,147	\$33,176
Collections	Total Remitted	\$44,430,560			
Permit Refunds	Total Refunded	<u>\$4,104,250</u>			
Collections Less Permit Refunds		Current Month \$40,326,310	Fiscal YTD \$79,153,057	Prior FYTD \$52,311,131	Change 51.31%

SPECIAL FUEL

Detailed Collections		Aviation Jet	Diesel	B11 or Higher	
			\$212,023	\$18,116,172	\$1,238,136
Collections	Total Remitted	\$19,566,331			
Permit Refunds	Total Refunded	<u>\$748,404</u>			
Collections Less Permit Refunds		Current Month \$18,817,927	Fiscal YTD \$37,881,058	Prior FYTD \$26,844,417	Change 41.11%

LPG, LNG, & CNG

Detailed Collections		LPG	LNG	CNG	
			\$22,796	\$0	\$47,819
Collections	Total Remitted	\$70,615			
Permit Refunds	Total Refunded	<u>\$273</u>			
Collections Less Permit Refunds		Current Month \$70,342	Fiscal YTD \$123,395	Prior FYTD \$33,901	Change 263.99%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections		Miscellaneous	Accounts Receivable	
			\$0	\$2,721
Collections	Total Remitted	<u>\$2,721</u>		
Misc. & Account Receivable		Current Month \$2,721	Fiscal YTD \$7,127	Prior FYTD \$15,453 -53.88%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$64,070,227	\$126,876,510	\$84,812,139	49.60%
Refunds				
Permit Refunds Including Interest	\$4,852,926			
Motor Fuel Individual/Corporate Credits	<u>\$169,560</u>			
Total Refunds and Credits	\$5,022,486	\$9,995,742	\$5,793,092	72.55%
Collections Less Permit Refunds and Credits	\$59,047,741	\$116,880,768	\$79,019,047	47.91%

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MOTOR FUEL GALLONS SUMMARY

	Gasoline	Ethanol Blended Gasoline	E85	Aviation Gas	Motor Fuel Total
Gross Gallons Received	64,851,902	262,458,071	1,397,473	418,650	329,126,096
Exported Gallons	6,960,821	171,024,522	305,166	0	178,290,509
Distribution Allowance	923,953	1,458,446	10,471	5,582	2,398,452
Total Taxable Gallons	56,967,128	89,975,103	1,081,836	413,068	148,437,135
Remitted	\$17,626,661	\$26,452,576	\$318,147	\$33,176	\$44,430,560

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	4,825,414	67,624,563	12,546,773	84,996,750
Exported Gallons	574,809	11,719,358	8,362,239	20,656,406
Distribution Allowance	26,851	388,474	4,040	419,365
Total Taxable Gallons	4,223,754	55,516,731	4,180,494	63,920,979
Remitted	\$212,023	\$18,116,172	\$1,238,136	\$19,566,331

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	69,881	0	154,526
Remitted	\$22,796	\$0	\$47,819

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
29	Agricultural	2,858	50,026	0	0	52,884
2	Federal Government	3,221	976	0	0	4,196
19	State Government	333,093	30,476	0	0	363,569
323	Other Political	358,079	134,597	0	0	492,676
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
2	Extract of Nat'l Deposits	268	1,281	0	0	1,549
39	Denaturing Alcohol	2,370,763	0	0	0	2,370,763
116	Commercial	68,787	431,184	273	0	500,244
0	Refund Agent	0	0	0	0	0
9	Transport Diversions	369,078	99,051	0	0	468,129
0	Casualty Losses	0	0	0	0	0
1	Special Fuel Blending	309	813	0	0	1,122
9	Excess Tax on Ethanol Blended Gasoline	597,794	0	0	0	597,794
0	Excess Tax on E85	0	0	0	0	0
549	TOTALS	\$4,104,250	\$748,404	\$273	\$0	\$4,852,926

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$159,185