

Iowa Department of REVENUE

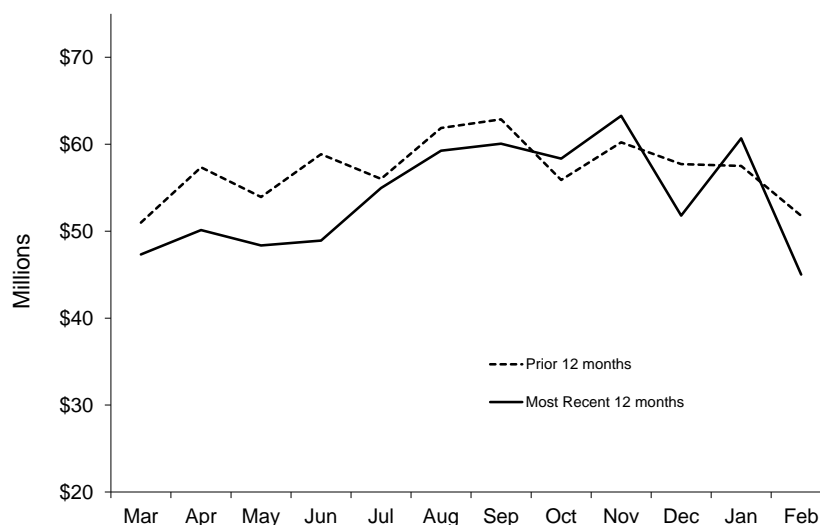
Fuel Tax Monthly Report for February 2021

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 2021 collections were \$45.0 million, 13.1 percent lower than February of last year. Year-over-year motor fuel net collections decreased by 14.8 percent and collections on diesel decreased by 12.7 percent. Monthly collections were higher than prior year numbers in three 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 2021, taxable gallons of motor fuel were 8.6 percent lower than in the previous February; taxable gallons of diesel were 0.23 percent lower than in the prior February. The downturn earlier this year reflected 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 February 2021**



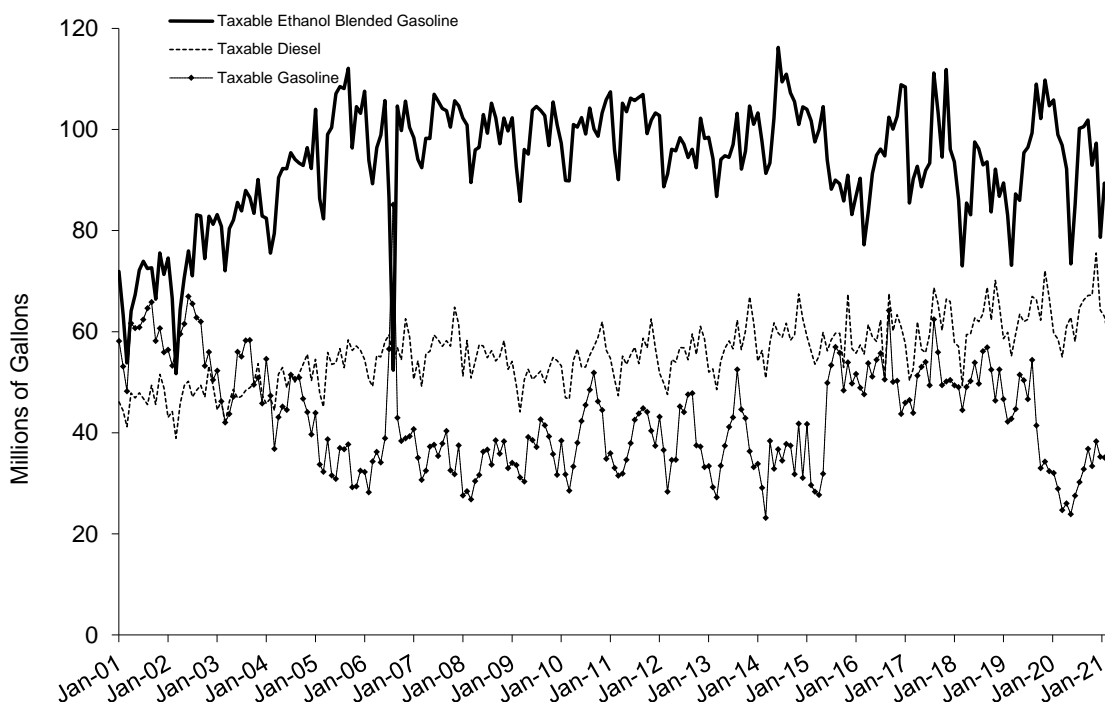
Source: Iowa Department of Revenue

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 2001, taxable sales of ethanol blended gasoline and gasoline were roughly equal. As Figure 2 shows, demand shifted over the next five 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 67.1 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 2021, gallons of ethanol blended gasoline represented 71.7 percent of motor fuel taxable gallons.

Figure 2. Iowa Monthly Taxable Ethanol Blended Gasoline, Gasoline, and Diesel Gallons: February 2001 – February 2021



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 February 2021

MOTOR FUEL

Detailed Collections	Gasoline	E10 to E14	E15 or Higher	Aviation Gasoline	
	\$8,845,676	\$22,202,374	\$465,970	\$4,545	
Collections	Total Remitted	\$31,518,564			
Permit Refunds	Total Refunded	<u>\$2,398,942</u>			
Collections Less Permit Refunds		Current Month \$29,119,622	Fiscal YTD \$290,721,704	Prior FYTD \$307,064,258	Change -5.32%

SPECIAL FUEL

Detailed Collections	Aviation Jet	Diesel	B11 or Higher		
	\$90,057	\$15,703,504	\$1,130,773		
Collections	Total Remitted	\$16,924,334			
Permit Refunds	Total Refunded	<u>\$1,330,676</u>			
Collections Less Permit Refunds		Current Month \$15,593,657	Fiscal YTD \$161,090,606	Prior FYTD \$155,127,221	Change 3.84%

LPG, LNG, & CNG

Detailed Collections	LPG	LNG	CNG		
	\$7,661	\$0	\$34,962		
Collections	Total Remitted	\$42,623			
Permit Refunds	Total Refunded	<u>\$2,941</u>			
Collections Less Permit Refunds		Current Month \$39,682	Fiscal YTD \$540,568	Prior FYTD \$586,350	Change -7.81%

MISC. & ACCOUNTS RECEIVABLE

Detailed Collections	Miscellaneous	Accounts Receivable			
	\$0	\$334,100			
Collections	Total Remitted	<u>\$334,100</u>			
Misc. & Account Receivable		Current Month \$334,100	Fiscal YTD \$2,193,632	Prior FYTD \$2,390,764	Change -8.25%

TOTAL

Collections	Current Month	Fiscal YTD	Prior FYTD	Change
	\$48,819,621	\$486,385,540	\$502,728,836	-3.25%
Refunds				
Permit Refunds Including Interest	\$3,732,562			
Motor Fuel Individual/Corporate Credits	<u>\$72,861</u>			
Total Refunds and Credits	\$3,805,423	\$32,998,471	\$38,855,775	-15.07%
Collections Less Permit Refunds and Credits	\$45,014,198	\$453,387,069	\$463,873,061	-2.26%

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For Gallons Reported on Returns Filed in February 2021**

MOTOR FUEL GALLONS SUMMARY

	Gasoline	E10 to E14	E15 or Higher	Aviation Gas	Motor Fuel Total
Gross Gallons Received	38,315,039	234,159,015	2,413,862	75,342	274,963,258
Exported Gallons	4,706,337	149,058,853	202,082	11,100	153,978,372
Distribution Allowance	536,412	1,358,196	34,048	496	1,929,152
Total Taxable Gallons	33,072,290	83,741,966	2,177,732	63,746	119,055,734
Remitted	\$8,845,676	\$22,202,374	\$465,970	\$4,545	\$31,518,564

SPECIAL FUEL GALLONS SUMMARY

	Aviation Jet	Diesel	B11 or Higher	Special Fuel Total
Gross Gallons Received	3,065,501	69,991,423	10,787,839	83,844,763
Exported Gallons	1,031,655	15,417,734	6,561,126	23,010,515
Distribution Allowance	13,578	377,670	12,983	404,231
Total Taxable Gallons	2,020,268	54,196,019	4,213,730	60,430,017
Remitted	\$90,057	\$15,703,504	\$1,130,773	\$16,924,334

LPG, LNG, & CNG GALLONS SUMMARY

	LPG	LNG	CNG
Total Taxable Gallons	40,892	0	112,781
Remitted	\$7,661	\$0	\$34,962

REFUND SUMMARY

		DOLLARS				
Number of Claims	Permit Type	Motor Fuel	Special Fuel	LPG & CNG	Interest Paid	Total
21	Agricultural	3,505	21,538	0	0	25,043
4	Federal Government	3,480	993	0	0	4,473
8	State Government	17,432	606	0	0	18,038
237	Other Political	529,392	109,560	2,941	3	641,895
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
34	Denaturing Alcohol	1,683,664	0	0	0	1,683,664
124	Commercial	90,134	606,092	0	0	696,225
0	Refund Agent	0	0	0	0	0
16	Transport Diversions	50,607	98,321	0	0	148,928
0	Casualty Losses	0	0	0	0	0
0	Special Fuel Blending	0	0	0	0	0
26	Excess Tax on Blended Fuel	20,729	493,566	0	0	514,296
470	TOTALS	\$2,398,942	\$1,330,676	\$2,941	\$3	\$3,732,562

GALLONS USED IN A MANNER EXEMPT FROM FUEL TAX

Sales Tax \$148,103