§ 48.6427–8 Diesel fuel and kerosene; claims by ultimate purchasers.

(a) Overview. This section provides rules under which ultimate purchasers of taxed diesel fuel and kerosene may claim the income tax credits or payments allowed by section 6427(b). Generally, these claims relate to diesel fuel and kerosene used in nontaxable uses. Claims relating to diesel fuel and kerosene sold for use on a farm for farming purposes and by a State are made by registered ultimate vendors under § 48.6427–9; claims relating to kerosene sold from a blocked pump are made by registered ultimate vendors (blocked pump) under § 48.6427–10; and claims relating to kerosene sold during certain periods of extreme cold for blending with diesel fuel to be used for heating purposes are made by registered ultimate vendors (blending) under § 48.6427–11.

(b) Conditions to allowance of credit or payment—(1) In general. Except as provided in section 6427(b)(5), a claim for an income tax credit or payment with respect to diesel fuel or kerosene is allowed under section 6427(b) only if—

(i) Tax was imposed by section 4081 on the diesel fuel or kerosene to which the claim relates;

(ii) The claimant produced or bought the diesel fuel or kerosene and did not sell it in the United States;

(iii) The claimant has filed a timely claim for a credit or payment that contains the information required under paragraph (d) of this section;

(iv) The diesel fuel or kerosene was not bought under a certificate described in § 48.6427–9(e)(2) (relating to Certificate of Farming Use or State Use);

(v) The diesel fuel or kerosene was not used on a farm for farming purposes (as defined in § 48.6420–4) or by a State;

(vi) With respect to kerosene, the kerosene was not sold from a blocked pump or sold for blending with diesel fuel under the conditions described in § 48.6427–11; and

(vii) The diesel fuel or kerosene was either—

(A) Used in a use described in § 48.4082–4(c)(3) through (c)(8);

(B) Exported;

(C) Used other than as a fuel in a propulsion engine of a diesel-powered highway vehicle; or

(D) Used as a fuel in the propulsion engine of a diesel-powered bus if the bus was engaged in a use described in section 6427(b)(1) (after the application of section 6427(b)(3)).

(2) Examples. The following examples illustrate this paragraph (b).

Example 1. (i) In September 2000, F bought 250 gallons of undyed diesel fuel. In October 2000, F used 250 gallons of the fuel in a farm tractor. This use qualifies as use on a farm.
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Diesel fuel and kerosene; claims by registered ultimate vendors (farming and State use).

(a) Overview. This section provides rules under which certain registered ultimate vendors of taxed diesel fuel and kerosene may claim the income tax credits or payments allowed by section 6427(1)(5)(A). These claims relate to diesel fuel and kerosene sold for use on a farm for farming purposes and by a State. Claims relating to diesel fuel and kerosene used for other nontaxable

(b) General rules. Each claim for a credit or payment under this section must contain the following information with respect to all the diesel fuel or kerosene covered by the claim:

(1) The total number of gallons.

(c) Form of claim. Each claim for an income tax credit under this section must be made on Form 4136 (or on such other form as the Commissioner may designate) in accordance with the instructions for that form. Each claim for a payment under this section must be made on Form 8849 (or on such other form as the Commissioner may designate) in accordance with the instructions for that form.

(d) Content of claim. Each claim for a credit or payment under this section must contain the following information with respect to all the diesel fuel or kerosene covered by the claim:

(1) The total number of gallons.

(2) A statement by the claimant that—

(i) The diesel fuel or kerosene did not contain visible evidence of dye; or

(ii) In the case of diesel fuel or kerosene that contains visible evidence of dye, explains the circumstances under which tax was imposed on that fuel.

(3) The use made of the diesel fuel or kerosene covered by the claim described by reference to specific categories listed in paragraph (b)(1)(vii) of this section (such as use in a qualified local bus or the exclusive use of a non-profit educational organization).

(4) If the diesel fuel or kerosene covered by the claim was exported, a declaration that the claimant has proof of exportation (as described in § 48.6221-3(d)(1)).

(5) A declaration that the claimant has in its possession the name and address of the person(s) that sold the diesel fuel or kerosene to the claimant and the date(s) of the purchase(s).

(f) Effective date. This section is applicable with respect to diesel fuel and kerosene used for other nontaxable purposes.