

2007 Instructions for Form 4136

Purpose: This is the first circulated draft of the 2007 Instructions for Form 4136 for your review and comments. See below for a discussion of the major changes.

TPCC Meeting: None, but one may be arranged if requested.

Prior Version: The 2006 Instructions for Form 4136 are available at:
<http://www.irs.gov/pub/irs-pdf/i4136.pdf>.

Form: The 2007 Form 4136 was circulated earlier at:
http://taxforms.web.irs.gov/Products/Drafts/2007-2/07f4136_d1.pdf.

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at: http://taxforms.web.irs.gov/draft_products.html

Comments: Please email, fax, call, or mail any comments by **August 17, 2007**, to me and email the form's reviewer, Ron Gamble, at Ronald.W.Gamble@irs.gov.

Michael Ecker
Tax Law Specialist
SE:W:CAR:MP:T:B:P
NCFB C7-265
Phone: 202-283-0196
Fax: 202-283-7008
Email: Michael.D.Ecker@irs.gov

Major Changes

Page 1

- **What's New** highlights the following changes.
 1. **Aviation fuel used outside the propulsion system of an aircraft.** Ultimate purchasers can use lines 2b (aviation gasoline) and 4a, 4e, or 4f (kerosene) to make a claim for aviation fuel used outside the propulsion system of an aircraft. This is a general nontaxable use under IRC 6427(l)(1). This change is being made under guidance from Chief Counsel, PSI:7.
 2. **Aviation gasoline.** After September 30, 2007, the credit rates for nontaxable use of aviation gasoline change because the tax rate changes under IRC 4081(d)(2), as modified by the Taxpayer Relief Act of 1997 (P.L. 105-34).
 3. **Credit for kerosene used in noncommercial aviation.** Ultimate purchasers can make a claim on lines 5c and 5d for kerosene used in

noncommercial aviation. This change is made per section 420 of the Tax Relief and Health Care Act of 2006 and IRC 6427(1)(4).

4. **Kerosene for use in aviation.** After September 30, 2007, the credit rates for kerosene for use in noncommercial aviation change because the tax rate changes under IRC 4081(d)(2), as modified by the Taxpayer Relief Act of 1997 (P.L. 105-34).
 5. **Qualified blood collector organizations.** Qualified blood collector organizations are exempt users of fuel taxed under section 4081. This change is made pursuant to section 1207 of the Pension Protection Act of 2006 (P.L. 109-280). Notice 2006-92, section 7, contains guidance on these exempt organizations.
 6. **Type of use table.** We revised the table to delete 17—For use in the production of alternative fuel. This change was made because section 6416(a)(4) changes who the claimant is under section 6416(b)(2)(F). This change was coordinated with Chief Counsel, PSI:7.
 7. **Undyed diesel fuel used in trains.** After December 31, 2006, the claim rate for undyed diesel fuel used in trains is \$.243. This change is made per IRC 4041(a)(1)(C)(ii)(III) and 4041(d).
- Under **Reminders**, we add the following topics.
 1. **Exported taxable fuel.** This topic was discussed under **What's New** in the 2006 Instructions for Form 4136.
 2. **Registered credit card issuers.** This topic was discussed under **What's New** in the 2006 Instructions for Form 4136.
 3. **Registered credit card issuers and registered ultimate vendors.** This topic was discussed under **What's New** in the 2006 Instructions for Form 4136.
 4. **Undyed diesel fuel and undyed kerosene for farming purposes.** This topic was discussed under **What's New** in the 2006 Instructions for Form 4136.

Page 2

- Under **Additional Information**, we added Notice 2007-37. Notice 2007-37 contains guidance on renewable diesel and renewable diesel mixtures.
- Under **Type of Use Table**, we deleted 17—For use in the production of alternative fuel. This change was made because section 6416(a)(4) changes who the claimant is under section 6416(b)(2)(F). This change was coordinated with Chief Counsel, PSI:7.

Page 3

- **Line 2. Nontaxable Use of Aviation Gasoline**
 1. We added a **Caution** because after September 30, 2007, IRC 4081(d)(2), as modified by the Taxpayer Relief Act of 1997 (P.L. 105-34), reduces the tax rate on aviation gasoline from \$.194 to \$.044 per gallon (\$.043 under IRC 4081(a)(2)(A)(ii) plus \$.001 LUST tax). This change affects the credit rates on line 2a, 2b, and 2c.

2. Under **Allowable uses**, we added type of use 2 for line 2b. Ultimate purchasers can use lines 2b to make a claim for aviation fuel used outside the propulsion system of an aircraft. This is a general nontaxable use under IRC 6427(l)(1). This change is being made under guidance from Chief Counsel, PSI:7.
- **Line 4. Nontaxable Use of Undyed Kerosene (Other Than Kerosene Used in Aviation)**
 1. Under Allowable uses, we instructions for lines 4e and 4f to capture claims for kerosene purchased at \$.044 and \$.219 (aviation rates). The ultimate purchaser can make a claim on these lines for kerosene used outside the propulsion system of an aircraft. This is a general nontaxable use under IRC 6427(l)(1). This change is being made under guidance from Chief Counsel, PSI:7.
 - **Line 5. Kerosene Used In Aviation**
 1. We added a **Caution** because after September 30, 2007, IRC 4081(d)(2), as modified by the Taxpayer Relief Act of 1997 (P.L. 105-34), reduces the tax rate on kerosene used in noncommercial aviation from \$.219 to \$.044 per gallon (\$.043 under IRC 4081(a)(2)(C)(ii) plus \$.001 LUST tax). This change affects the credit rates on lines 5b and 5d.
 2. The instructions for line 9, with editorial changes, were moved because line 9 claims are now made on lines 5c and 5d.

Page 4

- **Line 8a and 8b. Sales By Registered Ultimate Vendors of Kerosene For Use in Commercial Aviation (Other Than Foreign Trade)**
 1. We added a **Caution** because after September 30, 2007, IRC 4081(d)(2), as modified by the Taxpayer Relief Act of 1997 (P.L. 105-34), reduces the tax rate on kerosene used in noncommercial aviation from \$.219 to \$.044 per gallon (\$.043 under IRC 4081(a)(2)(C)(ii) plus \$.001 LUST tax). This change affects the credit rate on line 8a.
- **Line 8c, 8d, and 8e. Sales By Registered Ultimate Vendors of Kerosene Sold For Use in Noncommercial Aviation.**
 1. We added a **Caution** because after September 30, 2007, IRC 4081(d)(2), as modified by the Taxpayer Relief Act of 1997 (P.L. 105-34), reduces the tax rate on kerosene used in noncommercial aviation from \$.219 to \$.044 per gallon (\$.043 under IRC 4081(a)(2)(C)(ii) plus \$.001 LUST tax). This change affects the credit rate on lines 8c and 8e.
 2. We updated **Claimant** to be consistent with the Instructions for Form 720.

Page 5

- We deleted the instructions for lines 9, 10, and 11 because they are no longer required. Line 9 entries were moved to line 5. Line 10 was removed because it

was a blank line on the prior form. Line 11 was only applicable to liquefied petroleum gas purchased before October 1, 2006. All subsequent lines are renumbered.

- We added **Information for Claims on Lines 9, 10, and 12** to discuss the order in which claims must be made.
- **Line 10. Biodiesel or Renewable Diesel Mixture Credit**
 1. We updated **Claimant** to include the requirements for renewable diesel used in a renewable diesel mixture. The requirements are described in Notice 2007-37.
 2. We updated **Certificate** to discuss the certificate requirements for a renewable diesel mixture. The requirements are described in Notice 2007-37.
- **Line 12. Alternative Fuel Credit and Alternative Fuel Mixture Credit**
 1. We updated **Claimant** to be consistent with the Instructions for Form 720.
- **Line 13. Registered Credit Card Issuers**
 1. We added a **Caution** because after September 30, 2007, IRC 4081(d)(2), as modified by the Taxpayer Relief Act of 1997 (P.L. 105-34), reduces the tax rate on kerosene used in noncommercial aviation from \$.219 to \$.044 per gallon (\$.043 under IRC 4081(a)(2)(C)(ii) plus \$.001 LUST tax). This change affects the credit rate on line 13c.



Instructions for Form 4136

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

Aviation fuel used outside the propulsion system of an aircraft. Use line 2b to make a claim for aviation gasoline used outside the propulsion system of an aircraft. Depending on the tax rate of the kerosene, use line 4a, 4e, or 4f to make a claim for kerosene used outside the propulsion system of an aircraft. For more information, see *Line 2. Nontaxable Use of Aviation Gasoline* and *Line 4. Nontaxable Use of Undyed Kerosene (Other Than Kerosene Used in Aviation)*.

Aviation gasoline. After September 30, 2007, the credit rates for nontaxable use of aviation gasoline change because the tax rate changes to \$.044. For more information, see *Line 2. Nontaxable Use of Aviation Gasoline*.

Credit for kerosene used in noncommercial aviation. Ultimate purchasers of kerosene may claim a credit for kerosene used in noncommercial aviation (other than nonexempt, noncommercial aviation and exclusive use by a state, political subdivision of a state, or the District of Columbia) on lines 5c or 5d if they have not waived the right to the claim. Previously, these claims were made on line 9.

Kerosene for use in aviation. After September 30, 2007, kerosene for use in noncommercial aviation (taxed at \$.219) is taxed at \$.044. Therefore, the credit rates shown on lines 5b, 5d, 8a, 8c, 8e, and 13c change after September 30, 2007. For more information, see the instructions for each line.

Qualified blood collector organizations. Qualified blood collector organizations are exempt users of fuel taxed under section 4081. Two conditions must be met to apply for the credit on Form 4136.

1. The fuel must be used for the organization's exclusive use in the collection, storage, or transportation of blood.
2. The organization must be registered by the IRS. To apply for registration, see Form 637, Application for Registration (For Certain Excise Tax Activities).

Type of use table. The *Type of Use Table* on page 2 has been revised. Some uses listed in the table do not apply to Form 4136. See the specific line instructions for the allowable uses.

Undyed diesel fuel used in trains. The claim rate for undyed diesel fuel used in trains (line 3c) is \$.243. Previously, the claim rate was \$.22.

Reminders

Exported taxable fuel. A credit for exported taxable fuel can be claimed on lines 1d, 2c, 3e, 4d, 16a, and 16b as applicable.

Registered credit card issuers. Claims for sales of certain taxable fuel to state and local governments can be made by registered credit card issuers if certain conditions are met. See *Line 13. Registered Credit Card Issuers* for more information.

Registered credit card issuers and registered ultimate vendors. You cannot make a claim on Form 4136 for gasoline and aviation gasoline sold to a state or local government or a nonprofit educational organization. Instead, these claims must be made on Schedule C (Form 720) or the appropriate schedule of Form 8849.

Undyed diesel fuel and undyed kerosene for farming purposes. Ultimate purchasers use lines 3b and 4b to make these claims. Registered ultimate vendor refund claims for undyed diesel fuel and undyed kerosene (other than kerosene for use in aviation) sold for use on a farm for farming purposes have been eliminated.

General Instructions

Purpose of Form

Use Form 4136 to claim a credit for certain nontaxable uses (or sales) of fuel during the income tax year. Also use Form 4136 if you are claiming the alternative fuel credit, a blender claiming a credit for a diesel-water fuel emulsion, or a producer claiming a credit for an alcohol fuel mixture, biodiesel or renewable diesel mixture, or an alternative fuel mixture.

Instead of waiting to claim an annual credit on Form 4136, you may file:

- Form 8849, Claim for Refund of Excise Taxes, to claim a periodic refund; or
- Form 720, Quarterly Federal Excise Tax Return, to claim a credit against your taxable fuel liability.



You cannot claim any amounts on Form 4136 that you claimed on Form 8849 or Schedule C (Form 720).

Partnerships. Partnerships (other than electing large partnerships) cannot file this form. Instead, they must include a statement on Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., showing the allocation to each partner specifying the number of gallons of each fuel used during the tax year, the applicable credit per gallon, the nontaxable use or sale, and any additional information required to be submitted.

Additional Information

- Publication 510, Excise Taxes for 2007, has more information on nontaxable uses and the definitions of

terms, such as ultimate vendor and blocked pump. Pub. 510 also contains information on fuel tax credits and refunds previously in Pub. 378.

- Publication 225, Farmer's Tax Guide, also includes information on credits and refunds for the federal excise tax on fuels applicable to farmers.
- Notice 2005-4. You can find Notice 2005-4 on page 289 of Internal Revenue Bulletin 2005-2 at www.irs.gov/pub/irs-irbs/irb05-02.pdf.
- Notice 2005-62. You can find Notice 2005-62 on page 443 of Internal Revenue Bulletin 2005-35 at www.irs.gov/pub/irs-irbs/irb05-35.pdf.
- Notice 2005-80. You can find Notice 2005-80 on page 953 of Internal Revenue Bulletin 2005-46 at www.irs.gov/pub/irs-irbs/irb05-46.pdf.
- Notice 2006-92. You can find Notice 2006-92 on page 774 of Internal Revenue Bulletin 2006-43 at www.irs.gov/pub/irs-irbs/irb06-43.pdf.
- Notice 2007-37. You can find Notice 2007-37 on page 1002 of Internal Revenue Bulletin 2007-17 at www.irs.gov/pub/irs-irbs/irb07-17.pdf.

Recordkeeping

You must keep records to support any credits claimed on this return for at least 3 years from the date the return is due or filed, whichever is later.

Including the Fuel Tax Credit in Income

You must include in your gross income the amount of the credit from line 17 if you took a deduction on your tax return that included the amount of the taxes and that deduction reduced your income tax liability. See Pub. 510 for more information.

Specific Instructions

How To Make A Claim

Complete all information requested for each claim you make. You must enter the number (when requested) from the *Type of Use Table* on page 2, the number of gallons or gasoline gallon equivalents (CNG only), and the amount of credit. If you need more space for any line (for example, for more types of use), prepare a separate sheet using the same format as the line.

Attach separate sheets showing any additional information required for your claim such as the computation of the amount to be credited. Be sure to write your name and taxpayer identification number (TIN) on each sheet.

Amount of credit. Generally, multiply the rate by the number of gallons. For lines 9 and 10, enter the number of gallons of alcohol or biodiesel/renewable diesel. For lines 11 and 12, enter the number of gallons or gasoline gallon equivalents (CNG only). Enter the result (or the combined result as indicated by the brackets) in the amount of credit column. Include amounts from any separate sheets.

Exported taxable fuel. The claim rates for exported taxable fuel are listed on lines 1d, 2c, 3e, 4d, 16a, and 16b. Taxpayers making a claim for exported taxable fuel must include with their records proof of exportation. Proof of exportation includes:

- A copy of the export bill of lading issued by the delivering carrier,

- A certificate by the agent or representative of the export carrier showing accrual exportation of the fuel,
- A certificate of lading signed by a customs officer of the foreign country to which the fuel is exported, or
- A statement of the foreign consignee showing receipt of the fuel.

Type of Use Table

The following table lists the nontaxable uses of fuels. You must enter the number from the table in the *Type of use* column on Form 4136.

No.	Type of Use
1	On a farm for farming purposes
2	Off-highway business use (for business use other than in a highway vehicle registered or required to be registered for highway use) (other than use in mobile machinery)
3	Export
4	In a boat engaged in commercial fishing
5	In certain intercity and local buses
6	In a qualified local bus
7	In a bus transporting students and employees of schools (school buses)
8	For diesel fuel and kerosene (other than kerosene used in aviation) used other than as a fuel in the propulsion engine of a train or diesel-powered highway vehicle (but not off-highway business use)
9	In foreign trade
10	Certain helicopter and fixed-wing aircraft uses
11	Exclusive use by a qualified blood collector organization
12	In a highway vehicle owned by the United States that is not used on a highway
13	Exclusive use by a nonprofit educational organization
14	Exclusive use by a state, political subdivision of a state, or the District of Columbia
15	In an aircraft or vehicle owned by an aircraft museum
16	In military aircraft

Types of use 13 and 14. Generally, claims for sales of diesel fuel, kerosene, kerosene for use in aviation, gasoline, or aviation gasoline for the exclusive use of a state or local government (and nonprofit educational organization for gasoline or aviation gasoline) must be made following the order below.

1. By the registered credit card issuer if the state or local government (or nonprofit educational organization if applicable) used a credit card and the credit card issuer meets the four requirements discussed in *Line 13. Registered Credit Card Issuers* on page 5.

2. By the registered ultimate vendor if the ultimate purchaser did not use a credit card and waives his or her right to make the claim and the registered credit card issuer cannot make the claim.

3. By the ultimate purchaser if the ultimate purchaser used a credit card and neither the registered credit card issuer nor the registered ultimate vendor is eligible to make the claim.

Additional requirements that must be met are in Pub. 510.



An income tax credit for gasoline and aviation gasoline can be claimed on Form 4136 by the ultimate purchaser only. Claims by registered credit card issuers and registered ultimate vendors for gasoline and aviation gasoline sold to a state or local government or nonprofit educational organization must be made on Schedule C (Form 720) or Form 8849.

Line 1. Nontaxable Use of Gasoline

Claimant. The ultimate purchaser of the gasoline is the only person eligible to make this claim.

Allowable uses. A claim cannot be made for personal use of any fuel on line 1. Also, for lines 1a and 1c, a claim cannot be made for any use in a motorboat, other than commercial fishing.

For line 1a, the gasoline must have been used during the period of claim for a business use other than in a highway vehicle registered (or required to be registered) for highway use (Type of use 2).

For line 1b, the gasoline must have been used during the period of claim on a farm for farming purposes (Type of use 1).

For line 1c, the gasoline must have been used during the income tax year for type of use 4, 5, 7, 11, 13, 14, or 15. For type of use 13 or 14, claimant has not waived the right to make a claim. See *Types of use 13 and 14* on page 2.

For line 1d, the gasoline must have been exported during the period of claim (Type of use 3). See *Exported taxable fuel* on page 2.

Line 2. Nontaxable Use of Aviation Gasoline



The credit rates for lines 2a, 2b, and 2c change after September 30, 2007.

Claimant. The ultimate purchaser of the aviation gasoline is the only person eligible to make this claim.

Allowable uses. For line 2b, the aviation gasoline must have been used during the period of claim for type of use 1, 2, 10, 11, 13, 14, or 15. For type of use 13 or 14, claimant has not waived the right to make a claim. See *Types of use 13 and 14* on page 2.

For line 2c, the aviation gasoline must have been exported during the period of claim (Type of use 3). See *Exported taxable fuel* on page 2.

Line 3. Nontaxable Use of Undyed Diesel Fuel

Claimant. The ultimate purchaser of the diesel fuel is the only person eligible to make this claim.

Allowable uses. For line 3a, the diesel fuel must have been used during the period of claim for type of use 2, 6, 7, 8, 11, 13, 14, or 15. For line 3d, the claimant has not waived the right to make a claim. See *Types of use 13 and 14* on page 2. Type of use 8 includes use as heating oil and use in a motorboat.

For line 3e, the diesel fuel must have been exported during the period of claim (Type of use 3). See *Exported taxable fuel* on page 2.

Line 4. Nontaxable Use of Undyed Kerosene (Other Than Kerosene Used in Aviation)

Claimant. The ultimate purchaser of the kerosene is the only person eligible to make this claim.

Allowable uses. For line 4a, the kerosene must have been used during the period of claim for type of use 2, 6, 7, 8, 11, 13, 14, or 15. Line 4b does not include claims for kerosene used in aviation for farming purposes; instead, see line 5. For line 4c, the claimant has not waived the right to make a claim. See *Types of use 13 and 14* on page 2. Type of use 8 includes use as heating oil and use in a motorboat.

For line 4d, the kerosene must have been exported during the period of claim (Type of use 3). See *Exported taxable fuel* on page 2.

For lines 4e and 4f, the kerosene must have been used during the period of claim for type of use 2.



You may claim a credit for the tax on undyed kerosene you purchased (other than from a blocked pump) and used in your home during 2007 for heating, lighting, or cooking.

To claim the credit on line 4a for home use:

1. Enter **8** in col. **(a)**.
2. Enter the number of gallons of kerosene in col. **(c)**.
3. Multiply the gallons in col. **(c)** by \$.243. Enter the result in col. **(d)**.
4. If this is the only fuel tax credit you are claiming, enter the amount from col. **(d)** on:
 - a. Line 17 of Form 4136, and
 - b. Line 70 of Form 1040. Also, check box "b" on line 70.

Line 5. Kerosene Used in Aviation



The credit rates for lines 5b and 5d change after September 30, 2007.

Claimant. Claimant certifies that the right to make the claim has not been waived. For lines 5a and 5b, the ultimate purchaser of kerosene used in commercial aviation (other than foreign trade) is eligible to make this claim. For lines 5c and 5d, the ultimate purchaser of kerosene used in noncommercial aviation (other than nonexempt, noncommercial aviation and exclusive use by a state, political subdivision of a state, or the District of Columbia) is eligible to make this claim.

Allowable uses. For lines 5a and 5b, if the claimant buys kerosene partly for use in commercial aviation and partly for use in noncommercial aviation, see the rules in Notice 2005-80, section 3(e)(3).

For lines 5c and 5d, the kerosene must have been used during the period of claim for type of use 1, 9, 10, 11, 13, 15, or 16.

Information for Claims on Lines 6–8

Registration number. To make an ultimate vendor claim on lines 6–8 you must be registered. Enter your registration number, including the prefix, on the applicable line for your claim. If you are not registered, use Form 637, Application for Registration (For Certain Excise Tax Activities), to register.

Required certificates or waiver. The required certificates or waivers for lines 6–8 are listed in the line instructions and are available in Pub. 510.

Line 6a. Sales by Registered Ultimate Vendors of Undyed Diesel Fuel

Claimant. For line 6a, the registered ultimate vendor of the diesel fuel is the only person eligible to make this claim and has obtained the required certificate from the buyer and has no reason to believe any information in the certificate is false. See Model Certificate P in Pub. 510. Only one claim may be filed for any gallon of diesel fuel.

Allowable sales. The fuel must have been sold during the period of claim for the exclusive use by a state or local government (including essential government use by an Indian tribal government).

Registration number. Enter your UV registration number in the space provided.

Information to be submitted. For claims on line 6a, attach a separate sheet with the name and TIN of each governmental unit to whom the diesel fuel was sold and the number of gallons sold to each.

Line 6b. Sales by Registered Ultimate Vendors of Undyed Diesel Fuel for Use in Certain Intercity and Local Buses

Claimant. For line 6b, the registered ultimate vendor of the diesel fuel is eligible to make a claim only if the buyer waives his or her right to make the claim by providing the registered ultimate vendor with an unexpired waiver. See Model Waiver N in Pub. 510. Only one claim may be filed for any gallon of diesel fuel.

Registration number. Enter your UB registration number in the space provided.

Lines 7a and 7b. Sales by Registered Ultimate Vendors of Undyed Kerosene (Other Than Kerosene for Use in Aviation)

Claimant. For line 7a, the registered ultimate vendor of the kerosene is the only person eligible to make this claim and has obtained the required certificate from the buyer and has no reason to believe any information in the certificate is false. See Model Certificate P in Pub. 510. For line 7b, claimant has a statement, if required, that contains: the date of sale, name and address of the buyer, and the number of gallons of kerosene sold to the buyer. For lines 7a and 7b, only one claim may be filed for any gallon of kerosene.

Allowable sales. The fuel must have been sold during the period of claim:

- For line 7a, use by a state or local government (including essential government use by an Indian tribal government), or
- For line 7b, from a blocked pump.

Registration number. Enter your UV or UP registration number in the space provided.

Information to be submitted. For claims on line 7a, attach a separate sheet with the name and TIN of each governmental unit to whom the kerosene was sold and the number of gallons sold to each.

Line 7c. Sales by Registered Ultimate Vendors of Undyed Kerosene for Use in Certain Intercity and Local Buses

Claimant. For line 7c, the registered ultimate vendor of the kerosene is eligible to make a claim only if the buyer

waives his or her right to make the claim by providing the registered ultimate vendor with an unexpired waiver. See Model Waiver N in Pub. 510. Only one claim may be filed for any gallon of kerosene.

Registration number. Enter your UB registration number in the space provided.

Lines 8a and 8b. Sales By Registered Ultimate Vendors of Kerosene For Use in Commercial Aviation (Other Than Foreign Trade)



The credit rate for line 8a changes after September 30, 2007.

Claimant. The registered ultimate vendor of the kerosene sold for use in commercial aviation is eligible to make this claim only if the buyer waives his or her right by providing the registered ultimate vendor with an unexpired waiver. See Model Waiver L in Pub. 510. Only one claim may be filed for any gallon of kerosene sold for use in commercial aviation.

Allowable sales. The kerosene sold for use in commercial aviation must have been sold during the period of claim for use in commercial aviation (other than foreign trade).

Registration number. Enter your UA registration number in the space provided.

Lines 8c, 8d, and 8e. Sales By Registered Ultimate Vendors of Kerosene Sold For Use in Noncommercial Aviation



The credit rates for lines 8c and 8e change after September 30, 2007.

Claimant. For line 8c, the registered ultimate vendor of the kerosene sold for use in nonexempt, noncommercial aviation is the only person eligible to make this claim and has obtained the required certificate from the ultimate purchaser. For lines 8d and 8e, the registered ultimate vendor of the kerosene sold for nontaxable use in noncommercial aviation is eligible to make this claim only if the buyer waives his or her right to make the claim by providing the registered ultimate vendor with an unexpired waiver. See Model Waiver L in Pub. 510. For type of use 14, see Model Certificate P in Pub. 510. Only one claim may be filed for any gallon of kerosene sold for use in noncommercial aviation.

Allowable sales. For line 8c, the kerosene must have been sold for a nonexempt use in noncommercial aviation. For lines 8d and 8e, the kerosene sold for use in noncommercial aviation must have been sold during the period of claim for type of use 1, 9, 10, 11, 13, 14, or 15.

Registration number. Enter your UA (UV if type of use 14) registration number in the space provided.

Information for Claims on Lines 9, 10, and 12

The alcohol fuel mixture credit, biodiesel or renewable diesel mixture credit, alternative fuel credit, and alternative fuel mixture credit must first be taken on Schedule C to reduce your taxable fuel liability reported on Form 720. If you did not make these claims on Schedule C (Form 720), you must make them on Form 720X, Amended Quarterly Federal Excise Tax Return, before making them on Form 4136.

(Form 720)

Line 9. Alcohol Fuel Mixture Credit

Claimant. The person that produced and sold or used the mixture in their trade or business is the only person eligible to make this claim. The credit is based on the gallons of alcohol in the mixture.

Registration number. If you are a registered blender or a taxable fuel registrant, enter your registration number, including the prefix, on line 9.

How to claim the credit. Any alcohol fuel mixture credit must first be taken on Schedule C (Form 720) to reduce your taxable fuel liability reported on Form 720. Any excess credit may be taken on Schedule C (Form 720), Schedule 3 (Form 8849), Form 4136, or Form 6478. See Notice 2005-4 and Notice 2005-62 for more information.

Line 10. Biodiesel or Renewable Diesel Mixture Credit

Claimant. The person that produced and sold or used the mixture in their trade or business is the only person eligible to make this claim. The credit is based on the gallons of biodiesel or renewable diesel in the mixture. The biodiesel used to produce the biodiesel mixture must meet ASTM D6751 and be registered with the EPA as a fuel and fuel additive under section 211 of the Clean Air Act. The renewable diesel used to produce the renewable diesel mixture must be derived from biomass (as defined in section 45K(c)(3)) using a thermal depolymerization process, meet ASTM D6751, and be registered with the EPA as a fuel and fuel additive under section 211 of the Clean Air Act.

Certificate. The Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller must be attached to the first claim filed that is supported by the certificate or statement. For the renewable diesel mixture credit, you must edit the certificate and, if applicable, statement to indicate that the fuel to which the certificate and statement relate is renewable diesel and state the renewable diesel meets the requirements discussed above under *Claimant*. See Model Certificate O and Model Certificate S in Pub. 510. If the certificate and statement are not attached to Form 4136 because they are attached to a previously filed claim on Schedule C (Form 720) or Schedule 3 (Form 8849) for the biodiesel, attach a separate sheet with the following information.

1. Certificate identification number.
2. Total gallons of biodiesel or renewable diesel on certificate.
3. Total gallons claimed on Schedule 3 (Form 8849).
4. Total gallons claimed on Schedule C (Form 720), line 13.

Registration number. If you are a registered blender or a taxable fuel registrant, enter your registration number, including the prefix, on line 10.

How to claim the credit. Any biodiesel or renewable diesel mixture credit must first be taken on Schedule C (Form 720) to reduce your taxable fuel liability reported on Form 720. Any excess credit may be taken on Schedule C (Form 720), Schedule 3 (Form 8849), Form 4136, or Form 8864. See Notice 2005-4 and Notice 2005-62 for more information.



For lines 11 and 12, see Notice 2006-92.

Line 11. Nontaxable Use of Alternative Fuel

Claimant. The ultimate purchaser of the taxed alternative fuel is the only person eligible to make this claim.

Allowable uses. The alternative fuel must have been used during the period of claim for type of use 1, 2, 4, 5, 6, 7, 11, 13, 14, or 15.

Type of use 5. Write "Bus" in the space to the left of column (a). Enter the correct credit rate in column (b). The credit rates for type of use 5 are listed below.

Line number	Credit rate
11a	\$.109
11b	.110
11c	.109*
11d	.110
11e	.17
11f	.17
11g	.169

*This is the credit rate per gasoline gallon equivalent (126.67 cu. ft. of CNG).

Line 12. Alternative Fuel Credit and Alternative Fuel Mixture Credit

Claimant. For the alternative fuel credit, the registered alternative fueler who (1) sold an alternative fuel at retail and delivered it into the fuel supply tank of a motor vehicle or motorboat, (2) sold an alternative fuel, delivered it in bulk for taxable use in a motor vehicle or motorboat, and received the required statement from the buyer, or (3) used an alternative fuel (not sold at retail or in bulk as previously described) in a motor vehicle or motorboat is the only person eligible to make this claim.

For the alternative fuel mixture credit, the registered alternative fueler that produced and sold or used the mixture as a fuel in their trade or business is the only person eligible to make this claim. The credit is based on the gallons of alternative fuel in the mixture.

Registration number. You must enter your registration number, including the prefix, in the space provided.

How to claim the credit. Any alternative fuel credit and alternative fuel mixture credit must first be taken on Schedule C (Form 720) to reduce your taxable fuel liability reported on Form 720. Any excess alternative fuel credit may be taken on Schedule C (Form 720) or Form 4136. Any excess alternative fuel mixture credit may be taken on Schedule C (Form 720), Schedule 3 (Form 8849), or Form 4136.

Line 13. Registered Credit Card Issuers



The credit rate for line 13c changes after September 30, 2007.

Claimant. The registered credit card issuer is the only person eligible to make this claim if the credit card issuer:

1. Is registered by the IRS;
2. Has not collected the amount of tax from the ultimate purchaser or has obtained the written consent of the ultimate purchaser to make the claim;

3. Certifies that it has repaid or agreed to repay the amount of tax to the ultimate vendor, has obtained the written consent of the ultimate vendor to make the claim, or has otherwise made arrangements which directly or indirectly provide the ultimate vendor with reimbursement of the tax; and

4. Has in its possession an unexpired certificate from the ultimate purchaser and has no reason to believe any of the information in the certificate is false. See Model Certificate R in Pub. 510.

If any of these conditions is not met, the credit card issuer must collect the tax from the ultimate purchaser and only the ultimate purchaser can make the claim.

Allowable sales. The diesel fuel, kerosene, or kerosene for use in aviation must have been purchased with a credit card issued to the ultimate purchaser during the period of claim for the exclusive use by a state or local government (including essential government use by an Indian tribal government).

Registration number. Enter your CC registration number in the space provided.



For line 13c, if the kerosene was taxed at \$.244, the credit rate is \$.243. Write "Taxed at \$.244" in the space to the left of column (b). Enter \$.243 in column (b).

Line 14. Nontaxable Use of a Diesel-Water Fuel Emulsion

Claimant. The ultimate purchaser of the diesel-water fuel emulsion is the only person eligible to make this claim.

Allowable uses. For line 14a, the diesel-water fuel emulsion must have been used during the period of claim for type of use 1, 2, 5, 6, 7, 8, 11, 13, 14, or 15. For line 14b, the diesel-water fuel emulsion must have been exported during the period of claim (Type of use 3). See *Exported taxable fuel* on page 2.

Type of use 5. Write "Bus" in the space to the left of column (a). Enter the correct credit rate in column (b). The credit rate for type of use 5 is \$.124 per gallon.

Line 15. Diesel-Water Fuel Emulsion Blending

Claimant. The person that produced (the blender) and sold or used the diesel-water fuel emulsion is the only person eligible to make this claim.

Registration number. Enter your M registration number in the space provided.

Information to be submitted. The blender must attach a statement to the claim certifying that:

- The diesel-water fuel emulsion contains at least 14% water,
- The emulsion additive is registered by a United States manufacturer with the EPA under section 211 of the Clean Air Act,
- Undyed diesel fuel taxed at \$.244 was used to produce the diesel-water fuel emulsion, and
- The diesel-water fuel emulsion was used or sold for use in the blender's trade or business.

Line 16. Exported Dyed Fuel

Claimant. The person that exported dyed diesel fuel or dyed kerosene during the period of claim is the only person eligible to make this claim. See *Exported taxable fuel* on page 2.

Paperwork Reduction Act Notice. We ask for the information on Form 4136 to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for Form 1040. The estimated burden for all other taxpayers is shown below. **Recordkeeping**, 41 hr., 47 min.; **Learning about the law or the form**, 6 min.; **Preparing and sending the form to the IRS**, 49 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4136 simpler, we would be happy to hear from you. You can write to the Internal Revenue Service at the address listed in the instructions of the tax return with which Form 4136 is filed.
