

2009 Instructions for Form 4136

Purpose: This is the first circulated draft of the 2009 Instructions for Form 4136 for your review and comments. See below for a discussion of the major changes.

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

Prior Version: The 2008 Instructions for Form 4136 are available at:
<http://www.irs.gov/pub/irs-pdf/i4136.pdf>

Form: The 2009 Form 4136, Credit for Federal Tax Paid on Fuels, was circulated earlier and is attached.

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at:
<http://taxforms.web.irs.gov/Circulations/index.htm>

Comments: Please email, fax, call, or mail any comments by July 24, 2009. Phone comments must be followed up with an email or fax. Comments should also be sent to the reviewer at: Daniel.V.Brooks@irs.gov.

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Description of Major Changes to the Instructions for Form 4136

Page 1

What's New

Biodiesel and Renewable Diesel Mixture Credits. After December 31, 2009, these credits will expire. P.L. 110-343 section 202(a).

Renewable Diesel. The definition and requirements of renewable diesel are modified. For more information, see Line 13. Biodiesel or Renewable Diesel Mixture Credit. P.L. 110-343 section 202(c).

Alternative Fuel Credit and Alternative Fuel Mixture Credit. After December 31, 2009, these credits are scheduled to expire, except liquefied hydrogen. P.L. 110-343 section 204(a).

Agri-biodiesel. Camelina has been added to the definition of agri-biodiesel. P.L. 110-343 section 202(f) and IRC section 40A (d) (2) and IRC section 6426(d) (4).

Alternative fuel used in aviation. You can claim the alternative fuel credit for alternative fuel sold for use as a fuel in aviation. P.L. 110-343 section 204(b).

Compressed gas and liquefied gas. You may be eligible to claim the alternative fuel credit and alternative fuel mixture credit for compressed gas derived from biomass and liquefied gas derived from biomass. For more information, see Line 12. Alternative Fuel Credit and Alternative Fuel Mixture Credit. P.L. 110-343 section 204(d).

Aviation gasoline. After September 30, 2009, the credit rates for nontaxable use of gasoline of aviation gasoline change because the tax rate changes to \$.044 per gallon. P.L. 111-12 section 2a.

Kerosene for use in aviation. After September 30, 2009, kerosene for use in noncommercial aviation (taxed at \$.219) is taxed at \$.044 per gallon. P.L. 111-12 section 2a.

Page 3

Line 2. Nontaxable Use of Aviation Gasoline. The credit rates for lines 2a, 2b, and 2c change after September 30, 2009. P.L. 111-12 section 2a.

Line 5. Kerosene Used in Aviation. The credit rates for line 5b and 5d change after September 30, 2009. P.L. 111-12 section 2a.

Page 4

Line 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, 2009. P.L. 111-12 section 2a.

Line 8c, 8d, 8e, and 8f. 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, 2009. P.L. 111-12 section 2a.

Page 6

Line 13. Registered Credit Card Issuers. The credit rate for line 13c changes after September 30, 2009. P.L. 111-12 section 2a.

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2009



Department of the Treasury
Internal Revenue Service

Instructions for Form 4136

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

What's New

Aviation gasoline. After September 30, 2009, the credit rates for nontaxable use of aviation gasoline change because the tax rate changes to \$.044 per gallon.

Kerosene for use in aviation. After September 30, 2009, kerosene for use in noncommercial aviation (taxed at \$.219) is taxed at \$.044 per gallon. Therefore, the credit rates shown on lines 5b, 5d, 8a, 8c, 8e, and 13c change after September 30, 2009.

Renewable Diesel. The definition and requirements of renewable diesel are modified. For more information, see *Line 13. Biodiesel or Renewable Diesel Mixture Credit.*

Alternative Fuel Credit and Alternative Fuel Mixture Credit. After December 31, 2009, these credits will expire, except for liquefied hydrogen.

Biodiesel and Renewable Diesel Mixture Credits. After December 31, 2009, these credits will expire.

Agri-biodiesel. Camelina has been added to the definition of agri-biodiesel.

Alternative fuel used in aviation. You can claim the alternative fuel credit for alternative fuel sold for use as a fuel in aviation.

Compressed gas and liquefied gas. You may be eligible to claim the alternative fuel credit and the alternative fuel mixture credit for compressed gas derived from biomass and liquefied gas derived from biomass. For more information, see *Line 12. Alternative Fuel Credit and Alternative Fuel Mixture Credit*

Reminders

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).*

General Instructions

Purpose of Form

Use Form 4136 to claim a credit for certain nontaxable uses (or sales) of fuel during your 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, a biodiesel or renewable diesel mixture, or an alternative fuel mixture.

Instead of waiting to claim an annual credit on Form 4136, you may be able to 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, 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.
- 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 2005-24. You can find Notice 2005-24 on page 757 of Internal Revenue Bulletin 2005-12 at <http://www.irs.gov/pub/irs-irbs/irb05-12.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.

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- 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.
- Notice 2007-97. You can find Notice 2007-97 on page 1092 of Internal Revenue Bulletin 2007-49 at www.irs.gov/pub/irs-irbs/irb07-49.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*, the number of gallons or gasoline gallon equivalents (GGE) (compressed natural gas (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, 14b, 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 actual 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)
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 6.
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

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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, 2009.

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, 9, 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.

For line 2d, the aviation fuel must have been used in foreign trade to claim a credit for the LUST tax paid (Type of use 9).

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 2009 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, 2009.

Claimant. 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, 5d, and 5e, 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. Claimant certifies that the right to make the claim has not been waived.

Allowable uses. For lines 5a and 5b, the kerosene must have been used during the period of claim in noncommercial aviation. If the claimant buys kerosene

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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.

For line 5e, the kerosene must have been used during the period of claim for type of use 9. This claim is made in addition to the claim made on lines 5c and 5d for type of use 9.

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, 2009.

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, 8e, and 8f. 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, 2009.

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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. See Model Certificate Q in Pub. 510. For lines 8d, 8e, and 8f, the registered ultimate vendor of the kerosene sold for nontaxable use in noncommercial aviation (foreign trade for line 8f) 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, 15, or 16.

For line 8f, the kerosene sold for use in noncommercial aviation must have been sold during the period of claim for type of use 9. This claim is made in addition to the claim made on lines 8d and 8e for type of use 9.

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 (Form 720) 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.

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.

For line 9a, after December 31, 2008, the credit rate for alcohol fuel mixtures containing ethanol changes to \$.45 per gallon.

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 meet the Environmental Protection Agency's (EPA) registration requirements for fuels and fuel additives under section 211 of the Clean Air Act. The renewable diesel used to produce the renewable diesel mixture must be derived from biomass, meet ASTM D975, D396, or other equivalent standard approved by the IRS, and meet EPA's registration requirements for fuels and fuel additives under section 211 of the Clean Air Act. Renewable diesel fuel also includes fuel derived from biomass that meets a Department of Defense specification for military jet fuel or an ASTM specification for aviation turbine fuel. For a renewable diesel mixture used in aviation, kerosene is treated as if it is diesel fuel.

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 or renewable diesel, 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 line 10a, the credit rate for biodiesel mixtures sold or used after December 31, 2008 increases to \$1.00 per gallon.

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.

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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
11h	.110

*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, (3) used an alternative fuel (not sold at retail or in bulk as previously described) in a motor vehicle or motorboat, or (4) sold an alternative fuel for use as a fuel in aviation 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 and 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, 2009.

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

- Is registered by the IRS;
- 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;
- 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

- 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.

The type and rule above prints on all proofs including departmental reproduction proofs. MUST be removed before printing.

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: **Recordkeeping**, 34 hr., 55 min.; **Learning about the law or the form**, 36 min.; **Preparing and sending the form to the IRS**, 1 hr., 12 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.

2009 Form 4136, Credit for Federal Tax Paid on Fuels

Purpose: This is the first circulated draft of the 2009 Form 4136 for your review and comments. See below for a discussion of the major changes.

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

Prior Version: The 2009 Form 4136 is available at:

<http://www.irs.gov/pub/irs-pdf/f4136.pdf>

Instructions: The 2009 Instructions for Form 4136 will be circulated at a later date.

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at:

<http://taxforms.web.irs.gov/Circulations/index.htm>

Comments: Please email, fax, call, or mail any comments by **July 22, 2009**.

Phone comments must be followed up with an email or fax.

Comments should also be sent to the reviewer at: Daniel.V.Brooks@irs.gov

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Tax Forms and Publications

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Major Changes

The aviation fuel rates have been extended from March 31, 2009 to September 30, 2009.

The reference is to Line 2, Line 5, Line 8, and Line 13. P.L. 111-12 section 2a.

The alcohol fuel mixture credit rate has changed from \$0.51 to \$0.45. The reference is to Line 9a. P.L. 110-264 section 15331 and IRC 40.

The new definition and requirement for renewable diesel mixtures are provided. The reference is in the caption under Line 10 for Biodiesel or Renewable Diesel Mixture Credit. P.L. 110-343 section 202(c) and 40A (f).

Renewable diesel fuel as aviation fuel in which kerosene is treated as diesel fuel. The reference is in the caption under Line 10. P.L. 110-343 section 202(e) and 40A (f).

The alternative fuel credit and the alternative fuel credit mixture credit, except for liquefied hydrogen, are scheduled to expire after December 31, 2009. The reference is made in the subscript under Line 12. P.L. 110-343 section 204(a) and IRC 6424(e) (3).

Line 17 on the form has been changed because the WRN for the Form 1040 for 2009 has renumbered the line to claim the credit from Form 4136. The credit is now claimed on Line 70 instead of Line 68 on the 2009 Form 1040.

Form **4136****Credit for Federal Tax Paid on Fuels**

OMB No. 1545-0162

Department of the Treasury
Internal Revenue Service (99)

▶ See the separate instructions.

▶ Attach this form to your income tax return.

2009
Attachment
Sequence No. **23**

Name (as shown on your income tax return)

Taxpayer identification number

Caution. Claimant has the name and address of the person who sold the fuel to the claimant and the dates of purchase. For claims on lines 1c and 2b (type of use 13 and 14), 3d, 4c, and 5, claimant has not waived the right to make the claim. For claims on lines 1c and 2b (type of use 13 and 14), claimant certifies that a certificate has not been provided to the credit card issuer.

1 Nontaxable Use of Gasoline

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use	.183	}	\$	362
b	Use on a farm for farming purposes	.183			
c	Other nontaxable use (see Caution above line 1)	.183			
d	Exported	.184			411

2 Nontaxable Use of Aviation Gasoline

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade)	\$.15/.000*		\$	354
b	Other nontaxable use (see Caution above line 1)	.193/.043*			324
c	Exported	.194/.044*			412
d	LUST tax on aviation fuels used in foreign trade	.001			433

*This rate applies after September 30, 2009.

3 Nontaxable Use of Undyed Diesel Fuel

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use	\$.243	}	\$	360
b	Use on a farm for farming purposes	.243			
c	Use in trains	.243			
d	Use in certain intercity and local buses (see Caution above line 1)	.17			350
e	Exported	.244			413

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

Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Nontaxable use taxed at \$.244	\$.243	}	\$	346
b	Use on a farm for farming purposes	.243			
c	Use in certain intercity and local buses (see Caution above line 1)	.17			
d	Exported	.244			414
e	Nontaxable use taxed at \$.044	.043			377
f	Nontaxable use taxed at \$.219	.218			369

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 12625R

Form **4136** (2009)

5 Kerosene Used in Aviation (see **Caution** above line 1)

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.244	\$.200		\$	417
b	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.219/.044*	.175/.000*			355
c	Nontaxable use (other than use by state or local government) taxed at \$.244	.243			346
d	Nontaxable use (other than use by state or local government) taxed at \$.219/.044*	.218/.043*			369
e	LUST tax on aviation fuels used in foreign trade	.001			433

*This rate applies after September 30, 2009.

6 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel

Registration No. ►

Claimant certifies that it sold the diesel fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use by a state or local government	\$.243	\$	360
b	Use in certain intercity and local buses	.17		350

7 Sales by Registered Ultimate Vendors of Undyed Kerosene (Other Than Kerosene For Use in Aviation)

Registration No. ►

Claimant certifies that it sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim **did** contain visible evidence of dye, attach an explanation and check here

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use by a state or local government	\$.243	\$	346
b	Sales from a blocked pump	.243		
c	Use in certain intercity and local buses	.17		

8 Sales by Registered Ultimate Vendors of Kerosene For Use in Aviation

Registration No. ►

Claimant sold the kerosene for use in aviation at a tax-excluded price and has not collected the amount of tax from the buyer, repaid the amount of tax to the buyer, or has obtained the written consent of the buyer to make the claim. See the instructions for additional information to be submitted.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade) taxed at \$.219/.044*	\$.175/.000*		\$	355
b	Use in commercial aviation (other than foreign trade) taxed at \$.244	.200			417
c	Nonexempt use in noncommercial aviation	.025/.200*			418
d	Other nontaxable uses taxed at \$.244	.243			346
e	Other nontaxable uses taxed at \$.219/.044*	.218/.043*			369
f	LUST tax on aviation fuels used in foreign trade	.001			433

*This rate applies after September 30, 2009.

9 Alcohol Fuel Mixture Credit

Registration No. ►

Claimant produced an alcohol fuel mixture by mixing taxable fuel with alcohol. The alcohol fuel mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant.

	(b) Rate	(c) Gallons of alcohol	(d) Amount of credit	(e) CRN
a Alcohol fuel mixtures containing ethanol	\$.45		\$	393
b Alcohol fuel mixtures containing alcohol (other than ethanol)	.60			394

10 Biodiesel or Renewable Diesel Mixture Credit

Registration No. ►

Biodiesel mixtures. Claimant produced a mixture by mixing biodiesel with diesel fuel. The biodiesel used to produce the mixture met ASTM D6751 and met EPA's registration requirements for fuels and fuel additives. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller. **Renewable diesel mixtures.** Claimant produced a mixture by mixing renewable diesel with liquid fuel (other than renewable diesel). The renewable diesel used to produce the renewable diesel mixture was derived from biomass process, met EPA's registration requirements for fuels and fuel additives, and met ASTM D975, D396, or other equivalent standard approved by the IRS. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller, both of which have been edited as discussed in the Instructions for Form 4136. See the instructions for line 10 for information about renewable diesel used in aviation.

	(b) Rate	(c) Gallons of biodiesel or renewable diesel	(d) Amount of credit	(e) CRN
a Biodiesel (other than agri-biodiesel) mixtures	\$1.00/.000*		\$	388
b Agri-biodiesel mixtures	\$1.00/.000*			390
c Renewable diesel mixtures	\$1.00/.000*			307

*This rate applies after December 31, 2009.

11 Nontaxable Use of Alternative Fuel

Caution. There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See page 5 in the Instructions for Form 4136 for the credit rate.

	(a) Type of use	(b) Rate	(c) Gallons or gasoline gallon equivalents (GGE)	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG)		\$.183		\$	419
b "P Series" fuels		.183			420
c Compressed natural gas (CNG) (GGE = 126.67 cu. ft.)		.183			421
d Liquefied hydrogen		.183			422
e Any liquid fuel derived from coal (including peat) through the Fischer-Tropsch process		.243			423
f Liquid fuel derived from biomass		.243			424
g Liquefied natural gas (LNG)		.243			425
h Liquefied gas derived from biomass		.183			435

12 Alternative Fuel Credit and Alternative Fuel Mixture Credit

Registration No. ►

	(b) Rate	(c) Gallons or gasoline gallon equivalents (GGE)	(d) Amount of credit	(e) CRN
a Liquefied petroleum gas (LPG)	\$.50/000*		\$	426
b "P Series" fuels	.50/.000*			427
c Compressed natural gas (CNG) (GGE = 121 cu. ft.)	.50/.000*			428
d Liquefied hydrogen	.50/ → .50/.000*			429
e Any liquid fuel derived from coal (including peat) through the Fischer-Tropsch process	.50/.000*			430
f Liquid fuel derived from biomass	.50/.000*			431
g Liquefied natural gas (LNG)	.50/.000*			432
h Liquefied gas derived from biomass	.50/.000*			436
i Compressed gas derived from biomass (GGE = 121 cu. ft.)	.50/.000*			437

*This rate applies after December 31, 2009.

13 Registered Credit Card Issuers

Registration No. ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Diesel fuel sold for the exclusive use of a state or local government	\$.243		\$	360
b Kerosene sold for the exclusive use of a state or local government	.243			346
c Kerosene for use in aviation sold for the exclusive use of a state or local government taxed at \$.219/.044*	.218/.043*			369

*This rate applies after September 30, 2009.

14 Nontaxable Use of a Diesel-Water Fuel Emulsion**Caution.** There is a reduced credit rate for use in certain intercity and local buses (type of use 5). See page 6 in the Instructions for Form 4136 for the credit rate.

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Nontaxable use		\$.197		\$	309
b Exported		.198			306

15 Diesel-Water Fuel Emulsion Blending

Registration No. ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Blender credit	\$.046		\$	310

16 Exported Dyed Fuels and Exported Gasoline Blendstocks

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Exported dyed diesel fuel and exported gasoline blendstocks taxed at \$.001	\$.001		\$	415
b Exported dyed kerosene	.001			416

17 Total income tax credit claimed. Add lines 1 through 16, column (d). Enter here and on Form 1040, line 70 (also check box b on line 70); Form 1120, line 32f(2); Form 1120S, line 23c; Form 1041, line 24g; or the proper line of other returns. ►

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