

**Schedule 3
(Form 8849)**

(Rev. December 2010)
Department of the Treasury
Internal Revenue Service

**Certain Fuel Mixtures
and the Alternative Fuel Credit**

OMB No. 1545-1420

▶ Attach to Form 8849. Do not file with any other schedule.

Name as shown on Form 8849	EIN or SSN	Total refund (see instructions) \$
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Caution. The alcohol fuel mixture credit, biodiesel mixture credit, renewable diesel mixture credit, and alternative fuel mixture credit must first be taken as a credit against your taxable fuel liability (gasoline, diesel fuel, and kerosene) reported on Form 720. Similarly, the alternative fuel credit must first be taken on Form 720 as a credit against your alternative fuel or CNG tax liability. If you have these tax liabilities and you did not make the claim on Schedule C (Form 720) as a credit against those liabilities, you must first file Form 720X, Amended Quarterly Federal Excise Tax Return, before Form 8849, Schedule 3, can be used for the refund. You cannot claim any amounts on Form 8849 that you claimed (or will claim) on Schedule C (Form 720), Form 720X, or Form 4136, Credit for Federal Tax Paid on Fuels. **NOTE: This rule does not apply to claims for calendar year 2010 except the alcohol fuel mixture credit (line 1) and the credit for liquefied hydrogen (line 3(d)). Claims for calendar year 2010 for the other credits cannot be made on Form 720 or Form 720X. See the instructions.**

Claimant's registration no. ▶

Enter your registration number, including the prefix. Line 3 claimants must enter their AL or AM registration number.

Note: Period of claim may include 2010 for one-time claims, see instructions.

Period of claim: Enter month, day, and year in MMDDYYYY format.

From ▶ **To ▶**

1 Alcohol Fuel Mixture Credit

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.

	(a) Rate	(b) Gallons of alcohol	(c) Amount of claim <i>Multiply col. (a) by col. (b).</i>	(d) CRN
a Alcohol fuel mixtures containing ethanol			\$	393
b Alcohol fuel mixtures containing alcohol (other than ethanol)				394

2 Biodiesel or Renewable Diesel Mixture Credit

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, and 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, Statement of Biodiesel Reseller, both of which have been edited as discussed in the instructions for line 2. See the instructions for line 2 for information about renewable diesel used in aviation.

	(a) Rate	(b) Gallons of biodiesel or renewable diesel	(c) Amount of claim <i>Multiply col. (a) by col. (b).</i>	(d) CRN
a Biodiesel (other than agri-biodiesel) mixtures			\$	388
b Agri-biodiesel mixtures				390
c Renewable diesel mixtures				307

3 Alternative Fuel Credit and Alternative Fuel Mixture Credit

For the alternative fuel mixture credit, claimant produced a mixture by mixing taxable fuel with alternative fuel. Claimant certifies that it (a) produced the alternative fuel, or (b) has in its possession the name, address, and EIN of the person(s) that sold the alternative fuel to the claimant; the date of purchase; and an invoice or other documentation identifying the amount of the alternative fuel. The claimant also certifies that it made no other claim for the amount of the alternative fuel, or has repaid the amount to the government. The alternative fuel mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant.

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

Send this schedule with completed Form 8849 to: Internal Revenue Service, P.O. Box 312, Covington, KY 41012-0312; on the envelope write "Fuel Mixture Claim".

What's New

Extension of credits. The credits for alcohol fuel mixtures, biodiesel mixtures, renewable diesel mixtures, alternative fuels, and alternative fuel mixtures have been extended.

One-time claims for calendar year 2010. The credits for biodiesel mixtures, renewable diesel mixtures, alternative fuels, and alternative fuel mixtures (lines 2 and 3 except 3d), which expired at the end of 2009, have been reenacted retroactive to January 1, 2010. You can make a one-time claim for credits for sales or uses of these fuels in calendar year 2010.

For information on how to make a one-time claim, see *One-time claims*, below.

Black liquor excluded. Any fuel (including lignin, wood residues, or spent pulping liquors (like black liquor)) derived from the production of paper or pulp is ineligible for credits and payments related to the sale or use of alternative fuels or alternative fuel mixtures after December 31, 2009.

Reminders

The refund claimed on Schedule 3 can be less than \$200 if the claim is filed electronically. For more information on filing electronically, visit the IRS *e-file* website at www.irs.gov/efile.

General Instructions

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

One-time claims

Taxpayers can make a one-time claim for their calendar year 2010 sales or uses of biodiesel mixtures, renewable diesel mixtures, alternative fuels, and alternative fuel mixtures other than liquefied hydrogen.

You can file Schedule 3 (Form 8849) or Form 4136 to submit claims for credits for 2010 uses and sales of these fuels. You can also use Form 8864 to submit claims for credits for biodiesel mixtures and renewable diesel mixtures. Taxpayers that filed "protective" or anticipatory claims for these credits must re-file their claims. The IRS will neither process nor pay protective or anticipatory claims.

Claimants must follow the procedures listed below to make a one-time calendar year 2010 claim on Schedule 3 (Form 8849).

- Enter amounts for 2010 biodiesel and alternative fuel credits on Line 2 and Line 3, as appropriate.
- Submit a single form for all 2010 biodiesel and alternative fuel credit claims; the IRS will not process multiple submissions from a claimant.

Claimants must file all one-time 2010 biodiesel, renewable diesel, mixture, alternative fuel, and alternative fuel mixture claims by August 1, 2011. The IRS will not process claims received after that date.

Generally, all of the instructions for lines 2 and 3 apply to the one-time claims for calendar year 2010 with the following exceptions.

- For line 2, steps 1, 3, and 4 under Claim requirements do not apply to one-time claims. The rules discussed under How to claim the credit do not apply to one-time claims.
- For line 3, steps 2, 3, and 4 under Claim requirements do not apply to one-time claims. The rules discussed under How to claim the credit do not apply to one-time claims.

Taxpayers should also continue to submit claims for income tax credits for biodiesel under section 40A(b)(1) and (2) or the small biodiesel producer credit under section 40A(b)(4) separately on, and in accordance with, Form 8864, Biodiesel and Renewable Diesel Fuels Credit.

Coordination With Excise Tax Credit

Only one credit may be taken with respect to any gallon of alcohol reported on line 1, biodiesel or renewable diesel reported on line 2, or alternative fuel reported on line 3. If any amount is claimed (or will be claimed), with respect to any gallon of alcohol, biodiesel, renewable diesel, or alternative fuel on Form 720, Form 720X, or Form 4136, then a claim cannot be made on Form 8849 for that gallon of alcohol, biodiesel, renewable diesel, or alternative fuel.

Excise Tax Liability

Persons who blend an untaxed liquid with taxable fuel to produce a taxable fuel mixture outside the bulk transfer terminal system must pay the excise tax on the volume of the untaxed liquid in the mixture.

See Form 720 to report these taxes. You also must be registered with the IRS as a blender (M registrants). Line 3 claimants must also have an AL or AM registration number. See Form 637, Application for Registration (For Certain Excise Tax Activities).

Total Refund

Add all amounts in column (c) and enter the result in the total refund box at the top of the schedule. See *Claim requirements* for each type of claim.

Amount of Refund

Multiply the number of gallons or gasoline gallon equivalents by the rate and enter the result in the boxes for column (c).

How To File

Attach Schedule 3 to Form 8849. On the envelope write "Fuel Mixture Claim" and mail to the IRS at the address on page 1.

Specific Instructions

Line 1. 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.

Claim requirements. The alcohol fuel mixture credit may not be claimed for alcohol produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The following requirements must be met.

1. The claim must be for an alcohol fuel mixture sold or used during a period that is at least 1 week.
2. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 1, 2, and 3 may be combined.
3. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for an alcohol fuel mixture sold or used during June and July must be filed by September 30.

Note. If requirements 1–3 above are not met, see *Annual Claims under Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

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

Line 2. 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 EPA's registration requirements for fuels and fuel additives under section 211 of the Clean Air Act, and meet ASTM D975, D396, or other equivalent standard approved by the IRS. Renewable diesel 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.



Renewable diesel does not include any fuel derived from coprocessing biomass (as defined in section 45K(c)(3)) with a feedstock that is not biomass.

Claim requirements. The biodiesel mixture credit may not be claimed for biodiesel produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The following requirements must be met.

1. The claim must be for a biodiesel or renewable diesel mixture sold or used during a period that is at least 1 week.
2. The claimant has a certificate from the producer. See *Certificate* below for details.
3. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 1, 2, and 3 may be combined.
4. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for a biodiesel mixture sold or used during June and July must be filed by September 30.

Note. If requirements 1–4 above are not met, see *Annual Claims under Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

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 earlier under *Claimant*. See Model Certificate O and Model Certificate S in Pub. 510. If the certificate and statement are not attached to Schedule 3 because they are attached to a previously-filed claim on Schedule C (Form 720), 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 C (Form 720), line 13.

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

Line 3. 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.

Claim requirements. The alternative fuel credit and alternative fuel mixture credit may not be claimed for alternative fuel produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The following requirements must be met.

1. You must be registered with the IRS.
2. The claim must be for an alternative fuel or alternative fuel mixture sold or used (as described above under *Claimant*) during a period that is at least 1 week.
3. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 1, 2, and 3 may be combined.
4. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for an alternative fuel mixture sold or used during June and July must be filed by September 30.

Note. If requirements 2–4 above are not met, see *Annual Claims under Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

Carbon capture requirement. A credit for liquid fuel derived from coal (including peat) through the Fisher-Tropsch process can be claimed only if the fuel is derived from coal produced at a gasification facility which separates and sequesters at least 75% of the facility's total carbon dioxide emissions.

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