

# Fuel Bond

OMB No. 1545-0725  
Expires MM/DD/YYYY

(For use to post bond under section 4101)

**Check the boxes that apply.** This is an  original bond  strengthening bond  superseding bond  
This bond is for:  gasoline,  diesel fuel, or  kerosene fuel excise tax.

Enter the effective date  
of bond issued  
**Bond Number**

## Part I Bonding

Bond is given by \_\_\_\_\_  
Name Telephone No.  
( )

\_\_\_\_\_  
Address

as principal and \_\_\_\_\_  
Name

\_\_\_\_\_  
Address

as surety. As principal and surety, we are obligated to the United States in the amount of \_\_\_\_\_  
dollars (\$\_\_\_\_\_). We also jointly and severally obligate our heirs, executors, administrators, successors, and assigns  
for the payment of this amount.

The bond ensures payment of the tax imposed on taxable fuel under section 4081 of the Internal Revenue Code. The  
conditions of the bond are that the principal and the surety agree that:

1. The principal will not attempt to defraud the United States of any tax under section 4081;
2. The principal will file all returns and statements as required by law or regulations;
3. The principal will pay all taxes including any penalty and interest charges; and
4. The principal will comply with all other requirements of the law and regulations regarding tax under section 4081.

The surety will be granted relief from liability under the bond at any time, provided the surety notifies the principal and the  
Commissioner of the Internal Revenue Service in writing at least 60 days before the date on which the surety wants to be  
relieved of liability. If the notice is given by an agent of the surety, the notice must be accompanied by a power of attorney or a  
verified statement that a power of attorney is on file with the Commissioner.

If this notice is given, the principal's rights under the bond will end on the date given in the notice, unless the notice is later  
withdrawn in writing, or unless the principal's rights are supported by other bonds. The surety will be relieved from any liability  
for acts that occur after the date given in the notice but will remain liable for any unpaid tax and any penalties and interest  
incurred by the principal before the bond was canceled, unless the principal pays the tax, penalties, and interest.

## Part II Signature

Under penalties of perjury, I declare that I have examined this form and any accompanying statements, and to the best of my knowledge and  
belief, they are true, correct, and complete.

### Signature of principal and surety

\_\_\_\_\_  
Signature of principal Name (please type or print) Date

\_\_\_\_\_  
Signature of surety Name (please type or print) Date

## Part III Approval by Commissioner

Bond approved \_\_\_\_\_  
Date Registration No. \_\_\_\_\_

Commissioner: Send copy of approval form to principal shown above.

\_\_\_\_\_  
Commissioner

## Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping** \_\_\_\_\_ 1 hr., 55 min.

**Learning about the law or the form** \_\_\_\_\_ 18 min.

**Preparing, copying, assembling, and sending the form to the IRS** \_\_\_\_\_ 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0725), Washington, DC 20503. **DO NOT** file this form with either of these offices. See **Where To File** below.

## General Instructions

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

### Purpose of Form

Use this form to post bond required under section 4101(b).

### Who Must File

This form must be completed by any person required by the Commissioner to post bond as a condition of registration on **Form 637**, Application for Registration, (*For Certain Excise Tax Activities*) for purposes of the federal excise tax imposed under section 4081.

### Where To File

File Form 928 in duplicate with the Commissioner who required the posting of the bond.

### Qualifying Sureties

The surety on the bond must be listed in the Department of the Treasury Circular 570 as an acceptable surety or reinsurer on Federal bonds.

## Amount of Bond

**Taxable Fuel.**— Generally, a bond given under section 4101(b) must be in an amount that the Commissioner determines will ensure timely collection of the taxes imposed by section 4081, taking into account the applicant's financial capabilities, tax history, and expected liability under section 4081. The Commissioner may increase or decrease the amount of the required bond to take into account changes in the applicant's, financial capabilities, tax history, and expected liability under section 4081. However, in no case may the amount of the bond be greater than the amount that the Commissioner determines is equal to —

(i) The applicant's expected tax liability under section 4081 for a representative 6-month period (as determined by the Commissioner);

(ii) In the case of a terminal operator, the expected tax liability of persons other than the terminal operator under section 4081 with respect to taxable fuel removed at the racks of its terminals (determined as if all removals of taxable fuel were taxable) during a representative 1-month period (as determined by the Commissioner).

If the tax is not an even multiple of \$100, the bond must be increased to the next higher multiple by \$100.

## Who May Sign as Principal

The bond must be signed by: (1) the individual, if the applicant is an individual, (2) the president, vice president, or other principal officer, if the applicant is a corporation, (3) a responsible and authorized member or officer having knowledge of the organization's affairs, if the applicant is a partnership or other unincorporated organization, and (4) the fiduciary, if the applicant is a trust or estate.

## Period of Bond

The liability stated on the bond is a continuing one. It is not made for any fixed period of time. If the quarterly liability for excise tax that would be imposed on gasoline, diesel fuel, or kerosene is increased or decreased, contact the Commissioner immediately after the quarter to see if a strengthening or superseding bond is necessary.

The bond may also have to be changed if there is a substantial change in ownership or management of the business.

## Strengthening or Superseding Bond

The Commissioner may require a strengthening or superseding bond if: (1) it is necessary to ensure collection of the tax imposed under section 4081, or (2) the tax on the volume of gasoline, diesel fuel, or kerosene removed or sold in any month is greater than the volume on which the existing bond is based. See Regulations section 48.4101-1(j) for more details on strengthening and superseding bonds for the excise tax on taxable fuel.

A "strengthening bond" is an additional bond you give to increase the amount of your existing bond. A "superseding bond" is a new bond that takes the place of an existing bond. If you do not submit a strengthening or superseding bond when required, your registration may be suspended or revoked.

**Superseding bond for reduced volume.**—If the average monthly volume of gasoline, diesel fuel, or kerosene you removed or sold during the most recent 12 consecutive months is less than 80% of the volume used in computing your existing bond, you may request the Commissioner's permission to give a superseding bond. If you are a terminal operator, apply this test to the average monthly volume of gasoline, diesel fuel, or kerosene that flowed through the terminal during the most recent 12 consecutive months. If you are a blender of taxable fuel, apply the test to the average monthly gallons of taxable fuel purchased during the most recent 12 consecutive months.