

Instructions for Form 720

(Rev. March 2024)

Quarterly Federal Excise Tax Return

Volume 2 of 2



Department of the Treasury
Internal Revenue Service

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How To Make Deposits

To avoid a penalty, make your deposits timely and don't mail your deposits directly to the IRS. Records of your deposits will be sent to the IRS for crediting to your accounts.

Electronic deposit requirement. You must deposit all depository taxes (such as excise tax, employment tax, or corporate income tax) by electronic funds transfer.

Depositing on time. For EFTPS deposits to be on time, you must initiate the transaction at least 1 day before the date the deposit is due (before 8:00 p.m. Eastern time).

If a deposit is due on a day that isn't a business day or legal holiday, see *When To Make Deposits*, later. The term "legal holiday" means any legal holiday in the District of Columbia.

Same-day wire payment option. If you fail to submit a deposit transaction on EFTPS by 8:00 p.m. Eastern time the day before the

date a deposit is due, you can still make your deposit on time by using the Federal Tax Collection Service (FTCS). To use the same-day wire payment method, you will need to make arrangements with your financial institution ahead of time. Please check with your financial institution regarding availability, deadlines, and costs. Your financial institution may charge you a fee for payments made this way. To learn more about the information you will need to provide your financial institution to make a same-day wire payment, go to [IRS.gov/SameDayWire](https://www.irs.gov/SameDayWire).



You will automatically be enrolled in EFTPS when you apply for an EIN. You will receive a separate mailing containing instructions for activating your EFTPS enrollment after you receive your EIN.

When To Make Deposits

There are two methods for determining deposits: the regular method and the alternative method.

The regular method applies to all taxes on Form 720, Part I, except for communications and air transportation taxes if deposits are based on amounts billed or tickets sold, rather than on amounts actually collected.

See Alternative method (IRS Nos. 22, 26, 27, and 28) below.

If you are depositing more than one tax under a method, combine all the taxes under the method and make one deposit for the semimonthly period.

Regular method. The deposit of tax for a semimonthly period is due by the 14th day following that period. Generally, this is the 29th day of a month for the first semimonthly period and the 14th day of the following month for the second semimonthly period. If

the 14th or the 29th day falls on a Saturday, Sunday, or legal holiday, you **must** make the deposit by the immediately **preceding** day that isn't a Saturday, Sunday, or legal holiday.

Alternative method (IRS Nos. 22, 26, 27, and 28). Deposits of communications and air transportation taxes may be based on taxes included in amounts billed or tickets sold during a semimonthly period instead of on taxes actually collected during the period. Under the alternative method, the tax included in amounts billed or tickets sold during a semimonthly period is considered collected during the first 7 days of the second following semimonthly period. The deposit of tax is due by the third business day after the seventh day of that period.

Example. The tax included in amounts billed or tickets sold for the period June 16–30, 2024, is considered collected from July 16–

22, 2024, and must be deposited by July 25, 2024.

To use the alternative method, you must keep separate accounts of the tax included in amounts billed or tickets sold during the month and report on Form 720 the tax included in amounts billed or tickets sold and not the amount of tax that is actually collected. For example, amounts billed in December, January, and February are considered collected during January, February, and March and are reported on Form 720 as the tax for the first quarter of the calendar year.

The separate account for each month must reflect:

1. All items of tax included in amounts billed or tickets sold during the month, and
2. Other items of adjustment relating to tax for prior months (within the

statute of limitations on credits or refunds).

The separate account for any month can't include an adjustment resulting from a refusal to pay or inability to collect unless the refusal has been reported to the IRS. See *Communications and Air Transportation Taxes—Uncollected Tax Report*, earlier.

The net tax liability that is considered collected during the semimonthly period must be either:

- The net amount of tax reflected in the separate account for the corresponding semimonthly period of the preceding month, or
- One-half of the net amount of tax reflected in the separate account for the preceding month.

Amount To Deposit

Deposits of taxes for a semimonthly period must be at least 95% of the amount of net tax liability for that period, unless the safe harbor rule applies. See Safe Harbor Rule, later.

The net tax liability for a semimonthly period is the total liability for the period minus any claims allowed on Schedule C for the period. Net tax liability for a semimonthly period may be figured by dividing the net tax liability for the month by 2, provided this method of computation is used for all semimonthly periods in the calendar quarter.



The net tax liability for a semimonthly period isn't reduced by any amounts from Form 720-X.

Safe Harbor Rule

The safe harbor rule applies separately to deposits under the regular method and the

alternative method. Persons who filed Form 720 for the lookback quarter (the second calendar quarter preceding the current quarter) are considered to meet the semimonthly deposit requirement if the deposit for each semimonthly period in the current quarter is at least $\frac{1}{6}$ (16.67%) of the net tax liability reported for the lookback quarter.

For the semimonthly period for which the additional deposit is required (September 1–11 and 16–26), the additional deposit must be at least $\frac{11}{90}$ (12.23%) of the net tax liability reported for the lookback quarter. Also, the total deposit for that semimonthly period must be at least $\frac{1}{6}$ (16.67%) of the net tax liability reported for the lookback quarter.

Exceptions. The safe harbor rule doesn't apply to the following quarters.

- The first and second quarters beginning on or after the effective date of an

increase in the rate of tax unless the deposit of taxes for each semimonthly period in the calendar quarter is at least $\frac{1}{6}$ (16.67%) of the tax liability you would have had for the lookback quarter if the increased rate of tax had been in effect for that lookback quarter.

- Any quarter if liability includes any tax not in effect throughout the lookback quarter.
- For deposits under the alternative method, any quarter if liability includes any tax not in effect throughout the lookback quarter and the month preceding the lookback quarter.

Requirements to be met. For the safe harbor rule to apply, you must pay any underpayment for the current quarter by the due date of the return and check the box on line 5 of Form 720.



The IRS may withdraw the right to make deposits of tax using the safe harbor rule from any person not complying with these rules.

Online Payment Agreement

If you can't pay the full amount of tax owed, you can apply for an installment agreement online. You can apply for an installment agreement online if the total amount you owe in combined tax, penalties, and interest is \$25,000 (\$50,000 for individuals) or less, and you've filed all required returns. To apply using the Online Payment Agreement Application, go to [IRS.gov/OPA](https://www.irs.gov/opa).

Schedule A. Excise Tax Liability

How to complete. Complete Schedule A to record net tax liabilities for Form 720, Part I, taxes for each semimonthly period in a quarter even if your net liability is under \$2,500.

The following table will help you determine which boxes to complete on Schedule A.

IF you are reporting under the...	THEN you report on line...	AND enter the net tax liability in boxes...
regular method	1	A–G.
alternative method	2	M–S.

If you are reporting more than one type of tax on lines 1 and 2:

1. Add the net tax liability for each tax for each semimonthly period, and
2. Enter the total in the applicable box.

Additional rules. Report communications and air transportation taxes based on:

- Actual collections on line 1, or

- Amounts billed or tickets sold on line 2. The amount of tax to report for a semimonthly period is the net amount that is considered collected during that period.

Example. Under the alternative method, the amounts billed for communications services from June 1–15, 2024, are considered collected during the period July 1–7, 2024, and are reported for the third quarter of 2024 on Schedule A in box **M**, not the first quarter of 2024.

Reporting tax liability under the special September rule. An additional reporting is required under the special September rule as follows.

<i>Regular method taxes</i>	Enter the liability for the period beginning September 26/27 and ending September 30 in box F .
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*Alternative
method taxes*

Enter the tax included in the amounts billed or tickets sold for the period beginning September 11/12 and ending September 15 in box **M** of the **fourth quarter return**. Enter the tax included in amounts billed or tickets sold during the period beginning September 16 and ending September 30 in box **N** of the **fourth quarter return**.

Schedule T. Two-Party Exchange Information Reporting

In a two-party exchange, the receiving person, not the delivering person, is liable for the tax imposed on the removal of taxable fuel from the terminal at the terminal rack. A two-party exchange means a transaction

(other than a sale) where the delivering person and receiving person are both taxable fuel registrants and all of the following occur.

- The transaction includes a transfer from the delivering person, who holds the inventory position for the taxable fuel in the terminal as reflected in the records of the terminal operator.
- The exchange transaction occurs before or at the same time as completion of removal across the rack by the receiving person.
- The terminal operator in its records treats the receiving person as the person that removes the product across the terminal rack for purposes of reporting the transaction on Form 720-TO, Terminal Operator Report.
- The transaction is the subject of a written contract.

Information reporting. Schedule T is used to report gallons of taxable fuel:

- Received in a two-party exchange within a terminal—these gallons must also be included on the appropriate line on Form 720, page 1; or
- Delivered in a two-party exchange with a removal across the rack.

Enter all gallons of fuel received or delivered in a two-party exchange within a terminal for the applicable fuel.

Schedule C. Claims

Complete all information requested for each line, including Month your income tax year ends and Period of claim. Enter the month as "MM." Enter the period of claim as "MM/DD/YYYY – MM/DD/YYYY." Your claim will be disallowed if you don't follow the required procedures or don't provide all the required information. Also, you are certifying to the applicable statement(s) on Schedule C when

you make a claim. See Pub. 510 for more information.



You must include in gross income (income tax return) the amount from line 4 of Form 720 if you took a deduction on the income tax return that included the amount of the taxes and that deduction reduced the income tax liability. See Pub. 510 for more information. Don't use Schedule C:

- If you aren't reporting a liability on Form 720, Part I or Part II;
- For amounts you will claim or have claimed on Form 4136, Credit for Federal Tax Paid on Fuels, or as a refund on Form 8849, Claim for Refund of Excise Taxes, and its separate schedules;
- To make adjustments to liability reported on Forms 720 filed for prior quarters (instead, use Form 720-X);

- If you are seeking a refund of the surtax on any liquid used in a fractional ownership program aircraft as fuel (IRS No. 13) (instead, use Form 720-X); or
- To request an abatement or refund of interest under section 6404(e) (due to IRS errors or delays) or an abatement or refund of a penalty or addition to tax under section 6404(f) (due to erroneous IRS written advice). Instead, use Form 843, Claim for Refund and Request for Abatement. Also, use Form 843 to request a refund of the penalty under section 6715 for misuse of dyed 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 as required.

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 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 isn't 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

Claim requirements for lines 1–6 and lines 14b–14d. The following requirements must be met.

1. The amount of the claim must be at least \$750 (combining amounts on lines 1, 2, 3, 4, 5, 6, 14b, 14c, and 14d). This amount may be met by:

- a. Making a claim for fuel used during any quarter of a claimant's income tax year, or
 - b. Aggregating amounts from any quarters of the claimant's income tax year for which no other claim has been made.
- 2. Claims must be filed during the first quarter following the last quarter of the claimant's income tax year included in the claim. For example, a calendar year income taxpayer's claim for the first quarter is due June 30 if filed on Form 8849. However, Form 720 must be filed by April 30.
- 3. Only one claim may be filed for any quarter.
- 4. The fuel must have been used for a nontaxable use during the period of claim.

5. The ultimate purchaser is the only person eligible to make the claim.

If requirements 1–3 above aren't met, see Annual Claims, later.

Exported taxable fuel. The claim rates for exported taxable fuel are listed on lines 1b, 2c, 3e, and 4d, and in the instructions for lines 14b and 14c. 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.

Line 1. Nontaxable Use of Gasoline

Allowable uses. The gasoline must have been used during the period of claim for type of use 2, 4, 5, 7, or 12. For exported gasoline, see *Exported taxable fuel*, earlier. Type of use 2 doesn't include any personal use or use in a motorboat. Line 2. Nontaxable Use of Aviation Gasoline

Allowable uses. For line 2b, the aviation gasoline must have been used during the period of claim for type of use 9, 10, or 16. For exported aviation gasoline, see *Exported taxable fuel*, earlier.

For line 2d, the aviation gasoline 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 line 2b for type of use 9.

Line 3. Nontaxable Use of Undyed Diesel



Ultimate purchasers use line 3d to make claims for diesel used on a farm for farming purposes.

Allowable uses. For line 3a, the diesel must have been used during the period of claim for type of use 2, 6, 7, 8, or 12. For exported undyed diesel, see Exported taxable fuel, earlier. Type of use 2 doesn't include any personal use or use in a motorboat. Type of use 8 includes use as heating oil and use in a motorboat.

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

Allowable uses. For line 4a, the kerosene must have been used during the period of claim for type of use 2, 6, 7, 8, or 12. For exported undyed kerosene, see Exported taxable fuel, earlier. Type of use 2 doesn't

include any personal use or use in a motorboat. Type of use 8 includes use as heating oil and use in a motorboat.

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

Line 5. Kerosene Used in Aviation

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 (except for 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 hasn't been waived.

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

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.

Line 6. 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. Enter “Bus” in the space to the left of the *Type of use* column. Enter the correct claim rate in the *Rate* column. The claim rates for type of use 5 are listed below.

Line number	Claim rate: Type of use 5
6a	\$.109*
6b	.110
6c	.109**
6d	.110
6e	.17

6f	.17
6g	.169***
6h	.110
<p>* This is the claim rate per GGE (5.75 pounds or 1.353 gallons of LPG).</p> <p>** This is the claim rate per GGE (5.66 pounds or 123.57 cubic feet of CNG).</p> <p>*** This is the claim rate per DGE (6.06 pounds or 1.71 gallons of LNG).</p>	

Type of use 5 example. 10,000 gallons of LPG \div 1.353 = 7,391 GGE \times \$.109 = \$805.62 claim amount.

Information for Claims on Lines 7–11

Registration number. To make an ultimate vendor claim on lines 7–11, you must be registered. Enter your registration number,

including the prefix (for prefixes, see the instructions for Form 637, Application for Registration), on the applicable line for your claim. If you aren't registered, use Form 637 to apply for a registration number.

Required certificates or waivers. The required certificates or waivers for lines 7–11 are listed in the line instructions and are available in Pub. 510.

Line 7a. Sales by Registered Ultimate Vendors of Undyed Diesel

Claimant. For line 7a, the registered ultimate vendor of the diesel 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.

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).

Claim requirements. The following requirements must be met.

1. The claim must be for diesel sold during a period that is at least 1 week. This requirement will generally be met for quarterly claims filed on Form 720.
2. The amount of the claim must be at least \$200. To meet this minimum requirement, amounts from lines 7, 8, and 9 may be combined.
3. Claims 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 income taxpayer's claim for the first quarter is

due June 30 if filed on Form 8849.
However, Form 720 must be filed by
April 30.

If requirements 1–3 above aren't met, see
Annual Claims, later.

Registration number. Enter your UV
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 diesel was sold and the number of
gallons sold to each.

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

Claimant. For line 7b, the registered ultimate
vendor of the diesel is eligible to make a
claim only if the buyer waives their 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.

Claim requirements. The following requirements must be met.

1. The claim must be for diesel sold during a period that is at least 1 week. This requirement will generally be met for quarterly claims filed on Form 720.
2. The amount of the claim must be at least \$200. To meet this minimum requirement, amounts from lines 7, 8, and 9 may be combined.
3. Claims 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 income taxpayer's claim for the first quarter is due June 30 if filed on Form 8849. However, Form 720 must be filed by April 30.

If requirements 1–3 above aren't met, see *Annual Claims*, later.

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

Lines 8a and 8b. Sales by Registered Ultimate Vendors of Undyed Kerosene (Other Than Kerosene Sold for Use in Aviation)

Claimant. For line 8a, 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 8b, claimant has a statement, if required, that contains the date of sale, the name and address of the buyer, and the number of gallons of kerosene sold to the buyer. For lines 8a and 8b, 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 8a, use by a state or local government (including essential government use by an Indian tribal government); or
- For line 8b, from a blocked pump.

Claim requirements. The following requirements must be met.

1. The claim must be for kerosene sold during a period that is at least 1 week. This requirement will generally be met for quarterly claims filed on Form 720.
2. The amount of the claim must be at least \$100. To meet this minimum, amounts from lines 8 and 9 may be combined.
3. Claims 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 income taxpayer's claim for the first quarter is due June 30 if filed on Form 8849. However, Form 720 must be filed by April 30.

If requirements 1–3 above aren't met, see Annual Claims, later.

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

Information to be submitted. For claims on line 8a, 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 8c. Sales by Registered Ultimate Vendors of Undyed Kerosene for Use in Certain Intercity and Local Buses

Claimant. For line 8c, the registered ultimate vendor of the kerosene is eligible to make a

claim only if the buyer waives their 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.

Claim requirements. The following requirements must be met.

1. The claim must be for kerosene sold during a period that is at least 1 week. This requirement will generally be met for quarterly claims filed on Form 720.
2. The amount of the claim must be at least \$100. To meet this minimum, amounts from lines 8 and 9 may be combined.
3. Claims 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 income taxpayer's claim for the first quarter is

due June 30 if filed on Form 8849.
However, Form 720 must be filed by
April 30.

If requirements 1–3 above aren't met, see
Annual Claims, later.

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

**Lines 9a and 9b. Sales by Registered
Ultimate Vendors of Kerosene for Use
in Commercial Aviation (Other Than
Foreign Trade)**

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 their 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).

Claim requirements. The following requirements must be met.

1. The claim must be for kerosene sold for use in commercial aviation during a period that is at least 1 week. This requirement will generally be met for quarterly claims filed on Form 720.
2. The amount of the claim must be at least \$100. To meet this minimum, amounts from lines 8 and 9 may be combined.
3. Claims 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 income

taxpayer's claim for the first quarter is due June 30 if filed on Form 8849. However, Form 720 must be filed by April 30.

If requirements 1–3 above aren't met, see *Annual Claims*, later.

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

Lines 9c, 9d, 9e, and 9f. Sales by Registered Ultimate Vendors of Kerosene Sold for Use in Noncommercial Aviation

Claimant. For line 9c, the registered ultimate vendor of the kerosene sold for use in nonexempt, noncommercial aviation is the only person eligible to make this claim, and the registered ultimate vendor has obtained the required certificate from the ultimate purchaser. See *Model Certificate Q* in Pub. 510. For lines 9d, 9e, and 9f, the registered ultimate vendor of the kerosene sold for

nontaxable use in noncommercial aviation (foreign trade for line 9f) is eligible to make this claim only if the buyer waives their 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 9c, the kerosene must have been sold for a nonexempt use in noncommercial aviation. For lines 9d and 9e, 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 9f, 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 9d and 9e for type of use 9.

Claim requirements. The following requirements must be met.

1. The claim must be for kerosene sold for use in noncommercial aviation during a period that is at least 1 week. This requirement will generally be met for quarterly claims filed on Form 720.
2. The amount of the claim must be at least \$100. To meet this minimum, amounts from lines 8 and 9 may be combined.
3. Claims 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 income taxpayer's claim for the first quarter is due June 30 if filed on Form 8849. However, Form 720 must be filed by April 30.

If requirements 1–3 above aren't met, see *Annual Claims*, later.

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

Information to be submitted. For claims on lines 9d and 9e (type of use 14), 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.

Lines 10 and 11. Sales by Registered Ultimate Vendors of Gasoline and Aviation Gasoline

Claimant. The registered ultimate vendor of the gasoline or aviation gasoline is eligible to make a claim on lines 10 and 11 if the buyer waives their right to make the claim by providing the registered ultimate vendor with an unexpired certificate. See *Model Certificate*

M in Pub. 510. Only one claim may be filed for any gallon of gasoline or aviation gasoline.

Allowable sales. The gasoline or aviation gasoline must have been sold during the period of claim for:

- Use by a nonprofit educational organization, or
- Use by a state or local government (including essential government use by an Indian tribal government).

Claim requirements. The following requirements must be met.

1. The claim must be for gasoline or aviation gasoline sold or used during a period that is at least 1 week. This requirement will generally be met for quarterly claims filed on Form 720.
2. The amount of the claim must be at least \$200. To meet this minimum,

amounts from lines 10 and 11 may be combined.

3. Claims 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 income taxpayer's claim for January and February is due June 30 if filed on Form 8849. However, Form 720 must be filed by April 30.

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

Information to be submitted. For claims on lines 10 and 11, attach a separate sheet with the name and TIN of each nonprofit educational organization or governmental unit to whom the gasoline or aviation gasoline was sold and the number of gallons sold to each.

Line 12 a–c. Biodiesel or Renewable Diesel Mixtures

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.

How to claim the credit. Any biodiesel or renewable diesel mixture credit must first be claimed on Form 720, Schedule C, to reduce your taxable fuel liability reported on

Form 720. Any excess credit may be claimed on Form 720, Schedule C; Schedule 3 (Form 8849); Form 4136; or Form 8864. See Notice 2005-4 and item 4 below for more information. Only one credit may be taken for each amount of biodiesel or renewable diesel. If you claimed (or will claim) an amount of biodiesel or renewable diesel on Form 8864, Form 8849, or Form 4136 for a credit or payment, then you can't make a claim on

Form 720 for that same amount of biodiesel or renewable diesel.

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 territory of the United States. Requirements 1 and 2 must be met only if the credit exceeds the amount of taxable fuel liability reported. If requirements 1 and 2 below are not met, see Annual Claims, later. Requirements 3 and 4 below must be met for all claims.

1. The claim must be for a biodiesel or renewable diesel mixture sold or used during a period that is at least 1 week. This requirement will generally be met for quarterly claims filed on Form 720.
2. The amount of the claim must be at least \$200. To meet this minimum, amounts from lines 12 and 13 may be combined.

3. The biodiesel used to produce the biodiesel mixture must meet ASTM D6751 and meet the EPA's 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 the EPA's registration requirements for fuels and fuel additives under section 211 of the Clean Air Act.
4. 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 that the renewable diesel meets the requirements discussed above under requirement 3. See *Model Certificate O* and *Model Statement S* in Pub. 510. If the certificate and statement aren't attached to Form 720 because they're attached to a previously filed claim on Schedule 3 (Form 8849), attach a separate statement with the following information.

- a. Certificate identification number.
- b. Total gallons of biodiesel or renewable diesel on certificate.
- c. Total gallons claimed on Schedule 3 (Form 8849).
- d. Total gallons claimed on Form 720, Schedule C, line 12.

- e. Total gallons claimed on Form 8864.

Registration number. If you are a registered blender or a taxable fuel registrant, enter your registration number on line 12.

Line 12d. Sustainable Aviation Fuel (SAF) Credit

Claimant. The person that produced and sold or used a qualified mixture (a mixture of SAF and kerosene) is the only person eligible to make this claim. The credit is based on the gallons of SAF in the qualified mixture. Any SAF mixture credit must first be claimed on Form 720, Schedule C, to reduce your taxable fuel liability reported on Form 720. Any excess credit must be claimed on Form 720, Schedule C; Schedule 3 (Form 8849); Form 4136; or Form 8864. See item 4 below for more information.

How to claim the credit. Only one credit may be taken for each amount of SAF. If a person claimed (or will claim) an amount of SAF on Form 8864, Form 8849, or Form 4136 for a credit or payment, then a claim can't be made on Form 720 for that same amount of SAF. The qualified mixture must be used (or sold, in the ordinary course of a trade or business, for use) in an aircraft.

The SAF credit can't be claimed for qualified mixtures produced outside the United States or if the transfer of such mixture to the fuel tank of an aircraft occurs outside the United States. Requirements 1 and 2 below must be met only if the credit exceeds the amount of taxable fuel liability reported. If requirements 1 and 2 below are not met, see *Annual Claims*, later. Requirements 3 and 4 below must be met for all claims.

1. The claim must be for a qualified mixture sold or used during a period that is at least 1 week. This

requirement will generally be met for quarterly claims filed on Form 720.

2. The amount of the claim must be at least \$200. To meet this minimum, amounts from lines 12 and 13 may be combined.
3. The SAF used to produce the qualified mixture is the portion of liquid fuel that is not kerosene that (i) either (A) meets the specifications of one of the ASTM D7566 Annexes, or (B) meets the specifications of ASTM D1655 Annex A1; (ii) is not derived from coprocessing an applicable material (or materials derived from an applicable material) with a feedstock that is not biomass; (iii) is not derived from palm fatty acid distillates or petroleum; and (iv) has been certified in accordance with section 40B(e) as having a lifecycle greenhouse gas emissions reduction percentage of at least 50%.

Applicable material means monoglycerides, diglycerides, and triglycerides; free fatty acids; and fatty acid esters. Lifecycle greenhouse gas emissions reduction percentage means the percentage reduction in lifecycle greenhouse gas emissions achieved by such fuel as compared with petroleum-based jet fuel, as defined in accordance with the most recent Carbon Offsetting and Reduction Scheme for International Aviation which has been adopted by the International Civil Aviation Organization with the agreement of the United States, or any similar methodology which satisfies the criteria under section 211(o) (1)(H) of the Clean Air Act.

4. For qualified mixtures produced with a SAF synthetic blending component (SAF that meets the qualifications of

an ASTM D7566 Annex), the Certificate for SAF Synthetic Blending Component, Statement of SAF Synthetic Blending Component Reseller (if applicable), and Declaration for SAF Qualified Mixture must be attached to the first claim filed that is supported by the certificate or statement. If the certificate, statement, and declaration aren't attached to Form 720 because they're attached to a previously filed claim on a Form 4136, a Form 8864, or a Schedule 3 (Form 8849), attach a separate statement with the following information.

- a. Certificate identification number.
- b. Total gallons of SAF synthetic blending component, on the certificate.
- c. Total gallons claimed on Schedule 3 (Form 8849).

- d. Total gallons claimed on Form 4136.
 - e. Total gallons claimed on Form 8864.
5. the number of gallons and the appropriate rate in the *Rate* column on line 12d. If more than one rate applies, leave the *Rate* column blank and attach a schedule showing the rates and number of gallons claimed at each rate. Enter the claim amount on line 12d.

Registration number. If you're a registered blender or a taxable fuel registrant, enter your registration number on line 12.

Line 13. 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, or used the alternative 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.

Carbon capture requirement. A credit for Fischer-Tropsch process liquid fuel from coal (including peat) can be claimed only if the fuel is from coal produced at a gasification facility that 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 claimed on Form 720, Schedule C, to reduce your section 4041 taxable fuel liability for alternative fuel and CNG reported on Form 720. Any excess credit may be claimed on Form 720, Schedule C; Schedule 3 (Form 8849); or Form 4136.

The alternative fuel mixture credit can be claimed only on Form 720, Schedule C, not on Form 4136, or Schedule 3 (Form 8849), and only to the extent of your section 4081 taxable fuel liability for gasoline, diesel, and kerosene. Calculate the limitation for alternative fuel mixtures separately and enter on line 13 only the gallons of mixtures that don't exceed your section 4081 taxable fuel liability for gasoline, diesel, and kerosene.

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 territory of the United States. To claim either credit, you must be registered by the IRS.

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

Form 720-X. If you are not registered, you cannot make a claim at this time. Use Form 637 to apply for registration. After you are registered by the IRS, file Form 720-X to claim the credit for this period.

Line 14. Other Claims

For claims under section 6416(b)(2) relating to certain uses and resales of certain articles subject to manufacturer or retailer excise taxes, claimant certifies that it sold the article at a tax-excluded price, repaid the amount of tax to the ultimate vendor, or has obtained the written consent of the ultimate vendor to

make the claim; and has the required supporting information.

Lines 14b and 14c. Exported Dyed Diesel, Exported Dyed Kerosene, and Exported Gasoline Blendstocks Taxed at \$.001



Claimant is required to have the name and address of the person(s) who sold the fuel to the claimant, the dates of purchase, and, if exported, the required proof of export.

A claim may be made for dyed diesel or dyed kerosene exported in a trade or business during the period of claim. Claims for exported gasoline blendstocks taxed at \$.001 per gallon are made on line 14b. See Exported taxable fuel, earlier. The claim rate for each fuel is \$.001 per gallon.



Claims for exported gasoline blendstocks taxed at \$.184 per gallon are made on line 1b.

Line 14d. Diesel-Water Emulsion

Generally, the claim rate for the nontaxable use of a diesel-water emulsion taxed at \$.198 (credit reference number (CRN) 309) is \$.197. The fuel must have been used during the period of claim for type of use 1, 2, 3, 5, 6, 7, 8, or 12. For type of use 5, the claim rate is \$.124 (CRN 309). For type of use 3 (exported), the claim rate is \$.198 (CRN 306) and is reported on line 14d.

The claim rate for undyed diesel taxed at \$.244 (CRN 310) and used to produce a diesel-water emulsion is \$.046 per gallon of diesel so used (blender claims). The claimant must attach a statement certifying that (a) the claimant produced a diesel-water emulsion containing at least 14% water; (b) the emulsion additive is registered by a U.S.

manufacturer with the EPA under the Clean Air Act, section 211 (as in effect on March 31, 2003); (c) the claimant used undyed diesel taxed at \$.244 to produce the diesel-water emulsion; and (d) the claimant sold or used the diesel-water emulsion in the blender's trade or business. The blender claimant must be registered by the IRS and must enter their registration number on line 14d and enter the applicable CRN.

Claim requirements. See *Claim requirements for lines 1–6 and lines 14b–14d*, earlier.

Line 14e. Registered Credit Card Issuers

Allowable sales. The gasoline (CRN 362), aviation gasoline (CRN 324), diesel (CRN 360), kerosene (CRN 346), or kerosene for use in aviation (CRN 369) must have been purchased with a credit card issued to the ultimate purchaser during the period of claim:

- For gasoline or aviation gasoline, for the exclusive use by a state or local government (including essential government use by an Indian tribal government) or for the exclusive use of a nonprofit educational organization; or
- For diesel, kerosene, or kerosene for use in aviation, for the exclusive use by a state or local government (including essential government use by an Indian tribal government).

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. Hasn't 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

1. 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 one of these conditions isn't met, the credit card issuer must collect the tax from the ultimate purchaser and only the ultimate purchaser can make the claim.

Claim requirements. The following requirements must be met.

1. The claim must be for gasoline, aviation gasoline, diesel, kerosene, or kerosene for use in aviation sold

during a period that is at least 1 week. This requirement will generally be met for quarterly claims filed on Form 720.

2. The amount of the claim must be at least \$200 (\$100 for kerosene or kerosene for use in aviation).
3. Claims 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 income taxpayer's claim for the first quarter is due June 30 if filed on Form 8849. However, Form 720 must be filed by April 30.
4. The claimant must enter its registration number on line 14e, the amount of the claim, and the applicable CRN (see Allowable sales, earlier). If the claim is for more than one fuel, use the blank lines 14i–14k,

or attach a separate sheet listing the fuels, amounts, and CRNs.

If requirements 1–3 above aren't met, see Annual Claims, later. However, annual claims can't be made for gasoline and aviation gasoline.

Claim rates. The claim rates are shown below.

CRN	Claim Rate
324	\$.193
346	.243
360	.243
362	.183
369	.218

Annual Claims

If a claim on lines 1–9 or 14b–14e wasn't made for any gallons, an annual claim may be made (exception: alternative fuel mixtures produced after December 31, 2011).

Generally, an annual claim is made on Form 4136 for the income tax year during which the fuel was used by the ultimate purchaser, sold by the registered ultimate vendor, used to produce a mixture, or used in mobile machinery. See Form 4136 for more information.

Lines 14f–14h. Tire Credits

A credit or refund (without interest) is allowable on tax-paid tires if the tires have been:

- Exported;
- Sold to a state or local government for its exclusive use;

- Sold to a nonprofit educational organization for its exclusive use;
- Sold to a qualified blood collector organization for its exclusive use in connection with a vehicle the organization certifies will be primarily used in the collection, storage, or transportation of blood;
- Used or sold for use as supplies for vessels; or
- Sold in connection with qualified intercity, local, or school buses.

Also, a credit or refund (without interest) is allowable on tax-paid tires sold by any person on, or in connection with, any other article that is sold or used in an activity listed above.

The person who paid the tax is eligible to make the claim and must include:

- A detailed description of the claim,

- Any additional information required by the regulations,
- How the claim amount was figured,
- Any other information to support the claim, and
- The number of tires claimed for each CRN.

Claim requirement. Generally, the claim must be filed within 3 years from the time the return was filed or 2 years from the time the tax was paid, whichever is later.

Lines 14i–14k. Other Claims



Don't use lines 14i–14k to make communications tax claims for nontaxable service. See Communications Taxes, earlier.

Use lines 14i–14k for claims relating to taxes listed in the table under *Claim requirement* below. See Pub. 510 for information on allowable claims relating to these taxes. If you need additional space, attach another

sheet(s). You must include the following information for each claim.

- A detailed description of the claim.
- Any additional information required by the regulations.
- The amount of the claim.
- How you figured the claim amount.
- Any other information to support the claim.

Claim requirement. Generally, the claim must be filed within 3 years from the time the return was filed or 2 years from the time the tax was paid, whichever is later.

Tax	CRN
Ozone-depleting chemicals (ODCs)	398

Chemicals (other than ODCs)	454
Imported chemical substances	317
ODC tax on imported products	349
Truck, trailer, and semitrailer chassis and bodies, and tractors	383
Passenger vehicles (luxury tax)	392
Gas guzzler automobiles	340
Vaccines	397
Sport fishing equipment	341
Fishing rods and fishing poles	308
Fishing tackle boxes	387

Electric outboard motors	342
Bows, quivers, broadheads, and points	344
Arrow shafts	389

The Taxpayer Advocate Service (TAS) Is Here To Help You

What is TAS? TAS is an ***independent*** organization within the IRS that helps taxpayers and protects taxpayer rights. Their job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](#).

How can you learn about your taxpayer rights? The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to [TaxpayerAdvocate.IRS.gov](#) to help you understand what these rights mean to you

and how they apply. These are ***your*** rights. Know them. Use them.

What can TAS do for you? TAS can help you resolve problems that you can't resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How can you reach TAS? TAS has offices [in every state, the District of Columbia, and Puerto Rico](#). Your local advocate's number is in your local directory and at

[TaxpayerAdvocate.IRS.gov/Contact-Us](https://taxpayeradvocate.irs.gov/Contact-Us). You can also call them at 877-777-4778.

How else does TAS help taxpayers? TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to them at [IRS.gov/SAMS](https://irs.gov/SAMS).

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on these forms in order to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Miscellaneous excise taxes are imposed under Subtitle D of the Internal Revenue Code. These forms are used to determine the amount of tax that you owe. Section 6011 requires you to provide the requested information. Section 6109 requires you to provide your identifying number. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of

Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. Failure to provide this information in a timely manner or providing false or fraudulent information may subject you to penalties.

You aren't 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 these forms and related schedules will vary depending on individual circumstances. The estimated average times are:

Form	Record keeping	Learning about the law or the form	Preparing, copying, assembling, and sending the form to the IRS
720	8 hr., 59 min.	1 hr., 5 min.	2 hr., 3 min.
720-X	6 hr., 13 min.	0 hr., 18 min.	0 hr., 24 min.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions. You can

send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to:

Internal Revenue Service
Tax Forms and Publications
1111 Constitution Ave. NW
IR-6526
Washington, DC 20224

Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments and suggestions as we revise our tax forms, instructions, and publications. **Do not** send tax questions, tax returns, or payments to the above address.

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already sent us. You can get forms and publications faster online.

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