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Instructions for Schedule 5 (Form 8849)



(Rev. May 2026)

Section 4081(e) and 6435 Claims

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

General Instructions

Future Developments

For the latest information about developments related to Schedule 5 (Form 8849) and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8849](https://www.irs.gov/Form8849).

What's New

Part I, line 9. Use line 9 for section 6435 claims for dyed diesel fuel, effective December 31, 2025, and later.

Part I, line 10. Use line 10 for section 6435 claims for dyed kerosene, effective December 31, 2025, and later.

Part III. Use Part III to provide supporting information for section 6435 claims.

Purpose of Schedule

Use Schedule 5:

- If you paid and reported a section 4081 tax to the government on taxable fuel to claim a refund of that tax, if a prior section 4081 tax on that fuel has also been paid and reported to the government; and/or
- If you removed previously taxed dyed fuel, and if you paid and reported the prior section 4081 tax with respect to that fuel to the government (and it has not been credited or refunded), to claim a payment in the amount of such tax.

Section 4081(e) Claims

Section 4081(e) applies to the fuels listed in Part I, lines 1 through 8.

If two taxes were paid on the fuel for which the claim is filed, then a claim for refund of the second tax may be made.

Example. Janet is a taxable fuel registrant that owns 10,000 gallons of gasoline that is being transported on a vessel in the United States. On June 1, 2026, Janet sells the gasoline to Hazel, a person that is not a taxable fuel registrant. Janet is liable for tax on this sale. Janet prepares a First Taxpayer's Report related to this sale and gives a copy of the report to Hazel.

On June 4, 2026, Hazel sells the same gallons of gasoline to Caroline, a taxable fuel registrant. Hazel also gives Caroline a copy of Janet's First Taxpayer's Report and a Statement of Subsequent Seller. On June 9, 2026, the gasoline is removed from a terminal at the rack. Caroline is the position holder of the gasoline at the time of the removal and thus is liable for tax on the removal. Caroline pays this tax to the government.

After Caroline has filed a return of this second tax, Caroline files Form 8849 and Schedule 5 for a refund for the second tax and includes a copy of the First Taxpayer's Report and Statement of Subsequent Seller. In Part I of Schedule 5, Caroline enters "1,840.00" in column 1(a). In Part II, Caroline enters "1" in column (c); "06092026" in column (d); "10,000.00" in column (e); and "1,840.00" in column (f).

Section 6435 Claims

Section 6435 applies to the fuels listed in Part I, lines 9 and 10.

If dyed diesel fuel or dyed kerosene that meets the exemption under section 4082(a) is removed from an approved terminal and a tax was previously paid on such fuel (but not credited or refunded), then a claim for payment in the amount of the prior tax may be made.

Example. On June 25, 2026, Andrew, a taxable fuel registrant, removes 10,000 gallons of undyed diesel fuel from an approved terminal at the rack. The diesel fuel is then transported to and entered into a second approved terminal via tank trucks. Andrew, as the position holder of the diesel fuel at the time of this first removal, is liable for the \$2,440 section 4081 tax imposed on the removal, which includes the Leaking Underground Storage Tank Trust Fund financing rate (LUST tax). On July 31, 2026, Andrew timely files a Form 720 for the quarterly tax period ending June 30, 2026, and pays the section 4081 tax to the IRS. Under Treasury Regulation 48.4081-7(c)(3), Andrew also files a first taxpayer's report with the Form 720 with respect to the removal of the 10,000 gallons.

On August 10, 2026, Andrew dyes 5,000 gallons of the diesel fuel and removes the dyed diesel fuel from the second approved terminal. The dyed diesel fuel is intended for use on a farm, which is a nontaxable use.

After Andrew has removed the dyed diesel fuel from the second approved terminal, Andrew files Form 8849 and Schedule 5 (Form 8849) with a Section 6435 Taxpayer's Report attached, to claim a refund in the amount of the \$1,220 section 4081 tax paid with respect to such fuel. Andrew checks the box in line 6 of the Section 6435 Taxpayer's Report and identifies the corresponding first taxpayer's report he filed for the quarterly tax period ending June 30, 2026, thereby revoking the first taxpayer's report to the extent of the 5,000 gallons of dyed diesel fuel. Because Andrew has met the conditions for allowance of a refund under Treasury Regulation 48.6435-1T(d) and filed a claim for refund in accordance with Treasury Regulation 48.6435-1T(f), Andrew is allowed a refund of the section 4081 tax (including the LUST tax) that he paid to the IRS on the June 25, 2026, removal of the 5,000 gallons of diesel fuel that he later reentered, dyed, and removed.

Claimant

The person that reports on Form 720 and pays the second tax to the government on the same fuel is the only person eligible to make a section 4081(e) claim.

The person that paid and reported to the government a section 4081 tax not otherwise credited or refunded with respect to diesel fuel or kerosene and removed the fuel from an approved terminal dyed under section 4082(a) is the only person eligible to make a section 6435 claim.

Claim Requirement

Generally, a section 4081(e) claim must be filed within 3 years from the time the return for the second tax was filed or 2 years from the time the second tax was paid to the government, whichever is later.

A section 6435 claim may be filed any time after the removal of the dyed fuel and before the end of the period prescribed by section 6511 for the filing of a claim for a refund of the section 4081 tax paid with respect to such fuel.

Specific Instructions

Total Claim

Add all amounts in column (a) and enter the result in the total claim box at the top of the Schedule.

Part I

Column (a). For each type of fuel, enter the total of all amounts from column (f), Part II or column (j), Part III.

Line 6. Section 4081(e) claims can be made on line 6 for the tax on the following fuels: dyed diesel fuel, dyed kerosene, and other exempt removals (gasoline blendstocks, kerosene used for a feedstock, and diesel fuel or kerosene used in Alaska). The person that has reported a section 4081 tax on Form 720 and paid that tax to the government if a prior section 4081 tax on the fuel has also been paid and reported to the government makes the claim.

Line 7. Section 4081(e) claims can be made for kerosene for use in aviation by a person that has reported a section 4081 tax on Form 720 (IRS No. 69) and paid that tax to the government if a prior section 4081 tax on the kerosene has also been paid and reported to the government.

Line 8. Section 4081(e) claims can be made for kerosene for use in commercial aviation (other than foreign trade) by a person that has reported a section 4081 tax on Form 720 (IRS No. 77) and paid that tax to the government if a prior section 4081 tax on the kerosene has also been paid and reported to the government.

Lines 9 and 10. Section 6435 claims can be made for the amount of tax previously paid on dyed diesel fuel and dyed kerosene that meets the exemption under section 4082(a). The

person that paid and reported to the government the section 4081 tax not otherwise credited or refunded with respect to diesel fuel or kerosene and who removed the fuel from an approved terminal dyed under section 4082(a) is the only person eligible to make a section 6435 claim.

Part II

For each payment of a second tax, complete all the information required.

Part III

For each removal of a dyed fuel eligible for a section 6435 claim, complete all the information required.

Information To Be Attached

For section 4081(e) claims attach a copy of:

- The First Taxpayer's Report that relates to the fuel covered by each claim, and
- If the fuel covered by the claim was bought from someone other than the first taxpayer, a copy of the Statement of Subsequent Seller that the claimant received with respect to that fuel.

The First Taxpayer's Report and Statement of Subsequent Seller must contain all the information as shown in Model Certificates A and B in the appendix of Pub. 510.

For section 6435 claims attach a copy of the Section 6435 Taxpayer's Report containing all the information as shown in the model in the Treasury Regulation 48.6435-1T(e)(2).

How To File

Attach Schedule 5 to Form 8849. On the envelope write "Section 4081(e) Claim" or "Section 6435 Claim" and mail to the IRS at the address under Where To File in the Form 8849 instructions. If you are making both section 4081(e) claims and section 6435 claims, file separate copies of Form 8849 and Schedule 5 with the appropriate checkbox in Part I marked for each set of claims.

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