

PART IV — Items of General Interest

Claims under § 6435 for Tax Paid on Dyed Fuel

Announcement 2026-1

This announcement provides important information for interested taxpayers and potential claimants regarding claims under § 6435 of the Internal Revenue Code (Code) for tax paid on dyed fuel.¹

SECTION 1. BACKGROUND

Section 70525 of Public Law 119-21, 139 Stat. 282 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (OBBBA), added § 6435 to the Code to allow recovery of the amount of § 4081 tax previously paid on diesel fuel and kerosene that later qualifies as eligible indelibly dyed diesel fuel or kerosene (dyed fuel) exempt from § 4081 tax under § 4082(a).

More specifically, § 6435 allows a person to claim a payment (without interest) equal to the amount of § 4081 tax paid with respect to dyed fuel if the person establishes to the satisfaction of the Secretary of the Treasury or the Secretary's delegate that: (i) the person removed the dyed fuel from a terminal; (ii) tax was previously paid under § 4081 (and not credited or refunded) with respect to the dyed fuel; and (iii) the dyed fuel is exempt from § 4081 tax under § 4082(a). Section 6435 is effective for dyed fuel removed on or after December 31, 2025.

Although § 6435 is functionally similar to other rules providing for excise tax payments (see for example, §§ 6420, 6421, and 6427(l)), § 6435 differs from those provisions in that it lacks a directive to treat the payments as if they constitute refunds of overpayments of the underlying tax (*cf.* §§ 6420(e)(1), 6421(g)(1), and 6427(j)(1)). Further, the OBBBA does not provide a specific appropriation for § 6435 payments. The only existing appropriation for paying § 6435 claims is the general refund appropriation,

¹ Unless otherwise specified, all “section” or “§” references are to sections of the Code.

which is available only to the extent the claimant is the same person that paid the § 4081 tax to which the claim relates. See § 6402; 31 U.S.C. § 1324(b)(1). Thus, absent a statutory change, the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) lack the authority to pay § 6435 claims to anyone other than the person that paid § 4081 tax on the dyed fuel to which the claim relates.

SECTION 2. IMPLEMENTATION OF § 6435

The Treasury Department and the IRS intend to issue guidance related to § 6435. The forthcoming guidance will inform taxpayers that paid § 4081 tax on diesel fuel or kerosene and later removed such fuel as dyed fuel of the process for requesting a refund of such tax.

The Treasury Department and the IRS anticipate issuing this guidance in early 2026 and request that taxpayers hold any § 6435 claims until this guidance is issued. The IRS will not process any § 6435 claims until such guidance is issued.

SECTION 3. DRAFTING INFORMATION

The principal author of this announcement is the Office of Associate Chief Counsel (Energy, Credits, and Excise Tax). However, other personnel from the Treasury Department and the IRS participated in its development. For further information regarding this announcement, call (202) 317-6855 (not a toll-free call).