

# Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil

**1972**

Department of the Treasury  
Internal Revenue Service

Attach this form to your income tax return for calendar year 1972

or other taxable year beginning ....., 1972, ending ....., 19.....

Name (as shown on page 1 of your income tax return)

Identifying number

Part I Type of Use	Gasoline, Diesel Fuel and Special Motor Fuels			Lubricating Oil		
	Number of Gallons Used (A)	Rate of Tax (B)	Column (A) Multiplied by Column (B) (C)	Number of Gallons Used (D)	Rate of Tax (E)	Column (D) Multiplied by Column (E) (F)
<b>1 Nonhighway:</b>						
a. Farm (for farming purposes) . . . . .	.....	.02 } \$	.....	.....	.06	\$
		.04 } *	.....			
b. Motorboat . . . . .	.....	.02	.....	.....	.06	.....
c. Other (specify) .....	.....	.02 } \$	.....	.....	.06	.....
		.04 } *	.....			
<b>2 Local transit system. (See instruction E.3.) . . . . .</b>						
<b>3 Aircraft . . . . .</b>		.02	.....		.06	.....
<b>4 Totals . . . . .</b>			\$			\$

Part II Type of Use	Aviation Fuels			
	Fuels Other Than Gasoline (Example, Jet Fuel) Number of Gallons Used (A)	Gasoline Number of Gallons Used (B)	Rate of Tax (C)	Column (A) or (B) Multiplied by Column (C) (D)
<b>5 a. Farm (for farming purposes) . . . . .</b>		.....	.07	\$
		.....	.04 } *	.....
		.....	.07 } *	.....
		.....	.04 } *	.....
		.....	.07 } *	.....
b. Aviation (only applicable to commercial use as defined in instruction F.4.(c))	.....	.....	.07	.....
<b>6 Total . . . . .</b>				\$
<b>7 Total income tax credit claimed (sum of line 4, columns (C) and (F) and line 6, column (D)) . . . . .</b>				\$

\*Rate of Tax (per gallon used)

Type of Use	Gasoline (Nonaviation use)	Diesel Fuel and Special Motor Fuel	Aviation Fuel Gasoline
Farm (farming purposes)	4¢	2¢ or 4¢ whatever paid	4¢ or 7¢ whatever paid
Other	2¢	2¢ or 4¢ whatever paid	
Aviation (only applicable to commercial use as defined in instruction F.4.(c))			4¢ or 7¢ whatever paid

## Instructions

**A. Who May File.**—Any individual, estate, trust, or corporation, including a small business corporation and domestic international sales corporation, claiming credit for Federal excise tax on the number of gallons of gasoline, special fuels, and lubricating oil used must file this form. It should be attached to the income tax return.

Partnerships are not required to file this form because the credit for Federal excise tax on gasoline, special fuels, and lubricating oil used is claimed by the partners. However, partnerships must attach a statement to their returns, Form 1065, showing the allocation to the partners of the number of gallons of gasoline, special fuels, and lubricating oil used by type of use as shown above.

Special refund provisions are available if the credit for any of the first three quarters of your taxable year amounts to \$1,000 or more. (See Instruction C.)

**B. Time for Filing a Claim for Credit.**—An income tax credit will be allowed if claimed within the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable years.

**C. Quarterly Tax Refund of \$1,000 or More.**—For any of the first three quarters of your taxable year, a claim, Form 843, may be filed for refund of tax of \$1,000 or more for: (a) gasoline used (except, on the farm for farming purposes), (b) lubricating oil used, or (c) special fuels used (except, on the farm for farming purposes) during a calendar quarter. However, no claim will be allowed unless filed on or before the last day of the following quarter. A claim for gasoline,

special fuels, and lubricating oil should provide separate computations as in the format shown above. (If you prefer, you may use the above schedule instead of your own statement to show the separate computations.)

**D. What Lubricating Oil to Include.**—An income tax credit may be claimed for lubricating oil (other than cutting oils and used oil) that is used otherwise than in a highway motor vehicle. Cutting oils are those oils sold for use on metals in cutting and machining operations (including forging, drawing, rolling, shearing, punching, and stamping). Examples of uses of lubricating oil otherwise than in a highway motor vehicle are oiling plant machinery and lubricating vehicles other than highway motor vehicles, such as aircraft, bulldozers, power shovels, farm tractors, etc.

## Instructions (Continued)

Do not include oil (a) used in a highway motor vehicle, such as a truck, even if it is operated off the highway, (b) sold free of the Federal excise tax on lubricating oil, such as transformer or insulating oil, certain motor fuel additives, crude neatsfoot oil, castor oil, or oils purchased excise-tax-free by use of an exemption certificate, or (c) for which a refund has been claimed on a timely filed Form 843 for any of the first three quarters of your taxable year. (See Instruction C.)

### E. What Gasoline to Include.

**1. Farm for Farming Purposes.**—An income tax credit may be claimed for Federal excise tax on gasoline used for farming purposes on a farm that must be a trade or business located in the United States.

The term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farm; plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities; and orchards.

Gasoline shall be treated as used for farming purposes only if used by the owner, tenant, or operator of a farm in connection with—

(a) cultivating the soil, or raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training and management of livestock, bees, poultry, fur-bearing animals and wildlife. If the gasoline usage is by other than the owner, tenant, or operator of the farm (for example, a custom operator), the owner, tenant, or operator shall be treated as the user and ultimate purchaser of the gasoline;

(b) handling, drying, packing, grading, or storing any agricultural or horticultural commodity in its unmanufactured state; but only if the owner, tenant, or operator produced more than half the commodity he so treated during the period for which the claim is filed;

(c) the planting, cultivation, caring for, or cutting of trees, or the preparation (other than milling) of trees for market, incidental to farming operations; or

(d) the operation, management, conservation, improvement, or maintenance of the farm and its tools and equipment.

Do not include gasoline used (1) off the farm, such as on the highway to transport livestock, feed, crops, or equipment; (2) in processing, packaging, freezing, or canning operations; (3) for personal or other nonfarming purposes; or (4) on the farm of another person, even though used for farming purposes.

In many instances a vehicle will be used both on the farm for farming purposes and for nonfarming purposes. In such cases an allocation of the gasoline used must be made in arriving at the total gallons of gasoline used on the farm for farming purposes.

**2. Nonhighway Uses.**—Gasoline is regarded as having been used for a nonhighway purpose if used otherwise than as fuel in a highway vehicle which, (1) at the time of such use, is registered or required to be registered for highway use under the laws of any State or foreign

country, or (2) in the case of a highway vehicle owned by the United States, is used on the highway.

Do not include gasoline used for which a refund has been claimed on a timely filed Form 843 for any of the first three quarters of your taxable year. (See Instruction C.)

**3. Local Transit Systems.**—This relates to gasoline used during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes. The ultimate purchaser of the gasoline may claim a credit of 2 cents for each gallon of gasoline so used. The amount to be entered as "Number of Gallons Used" on line 2, column A is determined by multiplying—

(a) the total number of gallons used in connection with the total passenger fare revenue from scheduled service during the quarter by

(b) the percentage the ultimate purchaser's commuter fare revenue was of his total passenger fare revenue, both kinds of revenue being from scheduled service during the quarter. (Note—To justify a claim for credit this percentage must be at least 60 percent.)

Commuter fare revenue means revenue attributable to fares from the transportation of persons and attributable to—(a) amounts not exceeding 60 cents paid for transportation, (b) amounts paid for commutation or season tickets for single trips of less than 30 miles, or (c) amounts paid for commutation tickets for 1 month or less.

Local transit systems must attach a statement with the information required under section 6421 of the Internal Revenue Code and its Regulations in making claim for refund or credit.

Do not include gasoline used for which a refund has been claimed on a timely filed Form 843 for any of the first three quarters of your taxable year. (See Instruction C.)

### F. What Special Fuels to Include.

**1. Farm for Farming Purposes.**—An income tax credit may be claimed for Federal excise tax imposed on those fuels defined under paragraphs 4(a), (b), and (c), below, and which are used on a farm for farming purposes within the meaning of Instruction E.1., above.

**2. Local Transit Systems.**—This applies to those fuels defined under paragraphs 4(a) and (b), below, and which are used by the purchaser during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes. (See Instruction E.3., above, to figure the "Number of gallons used.")

Do not include special fuels used for which a refund has been claimed on a timely filed Form 843 for any of the first three quarters of your taxable year. (See Instruction C.)

**3. Nontaxable Uses.**—This relates to those fuels defined under paragraphs 4(a), (b), and (c), below, which the purchaser uses for a purpose taxable at a lower rate than the purpose for which it

was sold, uses for a nontaxable purpose, or resells. The purchaser may claim a credit for the tax on the sale of the fuel to him, but if he uses the fuel he must reduce that amount by the tax applicable for such use under section 4041 of the Code.

Do not include special fuels used for which a refund has been claimed on a timely filed Form 843 for any of the first three quarters of your taxable year. (See Instruction C.)

### 4. Definitions.

(a) Diesel Fuel.—Any liquid (other than any product taxable as gasoline under section 4081 of the Code) that is:

(i) sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle, for use as a fuel in such vehicle; or

(ii) used by any person as a fuel in a diesel-powered highway vehicle unless there was a taxable sale of such liquid under (i) above.

(b) Special Motor Fuels.—These fuels are benzol, benzene, naphtha, liquefied petroleum gas, casinghead and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4081 of the Code or paragraph 4(a) above) that is:

(i) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat, for use as a fuel in such motor vehicle or motorboat; or

(ii) used by any person as a fuel in a motor vehicle or motorboat, unless there was a taxable sale of such liquid under (i) above.

(c) Aviation Fuel.—Any liquid (for example, jet fuel) other than any product taxable under section 4081 of the Code, on which there is imposed a tax of 7 cents a gallon, and gasoline taxable under section 4081 of the Code on which there is imposed a tax of 3 cents a gallon that is:

(i) sold by any person to an owner, lessee, or other operator of an aircraft, for use as a fuel in such aircraft in other than commercial aviation; or

(ii) used by any person as a fuel in an aircraft in other than commercial aviation, unless there was a taxable sale of such liquid under (i) above.

Commercial aviation means any use of an aircraft in a business of transporting persons or property for compensation or hire by air. This term does not include any use of an aircraft, in a business described in the previous sentence, which is properly allocable to any transportation exempt from the taxes imposed on the transportation of persons or property by air by reason of: (a) the aircraft having a maximum certified takeoff weight of 6,000 pounds or less and not operated on an established line, or (b) a member of an affiliated group is the owner or lessee of an aircraft which is not available for hire by persons who are not members of such group.

**G. Additional Information.**—Internal Revenue Service Publications 225, Farmer's Tax Guide, and 378, Federal Fuel Tax Credit or Refund for Nonhighway and Transit Users, are available free at your Internal Revenue Service office.