Form **4136**

Department of the Treasury
Internal Revenue Service

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

▶ Attach this form to your income tax return.

OMB No. 1545-0162

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Name (as shown on your income tax return)

Social security or employer identification number

Type of business use	Gasoline, Diesel Fuel and Special Motor Fuels		
	A. Number of Gallons Used	B. Rate of Tax	C. Multiply Column A by Column B
1 Nonhighway:			
a Farm (for farming purposes)		.02 / .04 *	$
b Commercial fishing vessel (See instructions C.2 and D.2.(b)):			
(i) Gasoline		.02	
(ii) Diesel fuel or special fuels		.02 / .04 *	
c Other (specify)		.02 / .04 *	
2 Intercity, local, and school buses (See instruction C.4.)		.02 / .04 *	

erator is considered the user of the gasoline. There is an exception to this rule. An aerial applicator is considered to have used gasoline for farming when performing the farming tasks under the following conditions:

- The applicator is the ultimate purchaser of the gasoline; and
- The farm owner, tenant, or operator agrees not to be treated as the user and ultimate purchaser of the gasoline.

The following tasks are considered farming:

(a) Cultivating the soil, and raising or harvesting any horticultural or agricultural commodity. This includes raising livestock, bees, poultry, furbearing animals, and wildlife.

(b) Handling, drying, packing, grading, or storing any horticultural or agricultural commodity before manufacture, but only if the owner, tenant, or operator produced more than half of the commodity treated.

(c) Planting, cultivating, or cutting trees, or preparing them for market. This does not include milling the lumber.

(d) Operating, managing, conserving, improving, or maintaining the farm and its tools and equipment.

Gasoline is not considered used by you for farming under the following conditions:

(a) It is used off the farm to transport livestock, feed, crops, or equipment.

(b) It is used in processing, packaging, freezing, or canning operations.

(c) It is used for personal purposes.

(d) It is used on the farm of another person, even though used for farming.

Often a vehicle will be used on the farm both for farming and for nonfarming purposes. In these cases, show the number of gallons of gasoline used for each purpose when claiming credit.

2. Commercial Fishing Vessel Use.—You may claim a credit for excise tax paid on gasoline used in a commercial fishing vessel in the amount of 2 cents a gallon. A commercial fishing vessel is one used in the fisheries or whaling business and used:

- Exclusively for catching shrimp and other types of aquatic life for sale commercially as bait, or
- On specific trips exclusively for catching fish to be sold commercially.

3. Business Nonhighway Uses.—You may claim a credit of 2 cents a gallon for gasoline used for business nonhighway purposes. Business nonhighway use does not include gasoline used in a motorboat or in a highway vehicle that either:

- Is registered or required to be registered for highway use under the laws of any State, the District of Columbia, or foreign country; or
- Is owned by the United States and is used on the highway.

4. Intercity, Local, or School Bus Uses.—If you are the ultimate purchaser of gasoline for a bus that provides transportation (1) to the general public for a fee or (2) to students and school employees, you may claim a credit for the excise tax you paid on gasoline used for this service.

If you provide transportation on intercity and local buses on non-scheduled irregular routes, you may take the credit only if the seating capacity of the bus is at least 20 adults, not including the driver.

5. Gasoline/alcohol Mixture.—You may claim a credit for excise tax paid on gasoline mixed with alcohol. The alcohol must have been made from other than petroleum, natural gas, or coal. The mixture must have included at least 10% of 190 proof alcohol and must have been sold or used in your trade or business.

6. Qualified Taxicab Use.—The ultimate purchaser may claim a credit for Federal excise tax paid on gasoline, diesel fuel, and special fuels used after December 31, 1978, and before January 1, 1983, in a qualified taxicab providing qualified taxicab service. **Note:** At the time this form went to print, Congress was considering a proposal that would extend the expiration date of December 31, 1982. We will use news media and other means available to provide you with information on any change.

A qualified taxicab is a land vehicle that holds fewer than 10 adults including the driver. For 1978 and later model years, the vehicle model must have a fuel economy rating better than the average fuel economy standard for the model year (18 mpg for 1978 models, 19 mpg for 1979, 20 mpg for 1980, 22 mpg for 1981, 24 mpg for 1982, and 26 mpg for 1983). A taxicab is qualified if the vehicle received or could have received an exemption from the fuel economy standard for the model year. Fuel economy standards do not apply for vehicles acquired before 1979.

Qualified taxicab service means furnishing nonscheduled land transportation for a fixed fee in a qualified taxicab. The person operating the taxicab must be properly licensed as a taxicab driver and must not be prohibited from furnishing ride-sharing.

7. Commercial Aviation Use.—You may claim credit for excise tax on gasoline used in commercial aviation and certain helicopter uses.

Commercial aviation is the use of an aircraft in a business of carrying people or property by air for pay. The use of an aircraft may be considered noncommercial aviation if the aircraft:

(a) Has a maximum certificated takeoff weight of 6,000 pounds or less and is not operated on an established line; or

(b) Is owned or leased by a member of an affiliated group and is not available for hire to nonmembers.

Certain helicopter uses are:

(a) Transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, or

(b) The planting, cultivation, cutting, or transportation of, or caring for, trees (including logging operations),

but only if the helicopter does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970, or otherwise use services provided pursuant to the Airport and Airway Improvement Act of 1982 during such use. The use must have occurred after August 31, 1982.

D. What Special Fuels To Include.—

1. Definitions of Special Fuels.—

(a) Diesel Fuel.—This fuel is a liquid that is:

(1) Sold for use in a diesel-powered highway vehicle; or

(2) Used for fuel in such a highway vehicle. (This use is not taxable if there was a taxable sale of the fuel under (1) above.)

(b) Special Motor Fuels.—These fuels include benzol, benzene, naphtha, liquefied petroleum gas, casinghead and natural gasoline and other liquid, except kerosene, gas oil, fuel oil, diesel fuel, or any product taxable under section 4081. Special motor fuels must be:

(1) Sold for use as a fuel in a motor vehicle or motorboat; or

(2) Used for fuel in a motor vehicle or motorboat. (This use is not taxable if there was a taxable sale of the fuel under (1) above.)

2. Uses of Special Fuels.—

(a) Farm Use.—You may claim credit for Federal excise tax on fuels as defined in D.1. See instruction C.1. for requirements for "farm use."

(b) Commercial Fishing Vessel Use.—You may claim a credit for Federal excise tax on fuels as defined in D.1. of 2¢ or 4¢, whichever paid, that were used in vessels while employed in the fisheries or whaling business. See instruction C.2.

(c) Intercity, Local, and School Bus Uses.—You may claim credit for Federal excise tax on fuels as defined in D.1. See instruction C.4. for intercity, local, and school bus requirements.

(d) Commercial Aviation and Certain Helicopter Uses.—You may claim a credit for Federal excise tax on fuels as defined in D.1. of 14¢. See instruction C.7. for requirements for commercial aviation and certain helicopter uses.

(e) Nontaxable Uses.—

Diesel and Special Motor Fuel.—These fuels (defined in D.1.) may qualify for a credit in any of the following cases:

- You resold the fuel.
- You used the fuel for a nontaxable purpose.
- You used the fuel for a purpose that was not the one you bought it for. This other purpose must make a lower tax rate apply.

If any of these three conditions exist, claim as credit the figure you get by subtracting (a) the tax that applies to the *actual* use of the fuel, from (b) the tax imposed by section 4041 on the fuel sold to you.

E. What Lubricating Oil To Include.—You may claim an income tax credit for lubricating oil that is used in qualified business use, in a qualified bus, or in a commercial fishing vessel. You may include:

- Oil to lubricate plant machinery.
- Oil to lubricate vehicles such as aircraft, bulldozers, buses, power shovels, and farm tractors.

You may not include:

- Cutting oils.
- Used oil.
- Oil used in a highway motor vehicle, such as a truck, if used for other than business nonhighway use. See instruction C.3.
- Oil sold free of the Federal excise tax on lubricating oil. Such oil includes transformer or insulating oil, some motor fuel additives, crude neat's-foot oil, castor oil, and oils purchased excise-tax-free by use of an exemption certificate.

F. What Fuels Not To Include.—Do not include gasoline lost or destroyed through spillage, accident, or shrinkage. Such gasoline is not considered to be used and therefore does not qualify for credit or refund.

G. Additional Information.—**Publication 225,** Farmer's Tax Guide, and **Publication 378,** Fuel Tax Credits—Alcohol, Nonhighway Business Equipment, Buses, and Taxicabs, are available from the Internal Revenue Service.

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