

Computation of Credit for Federal Tax on Fuels
 (And Credit for Purchase of Diesel-Powered Highway Vehicles)
 ▶ Attach this form to your income tax return.

Name (as shown on your income tax return)		Social security or employer identification number	
Type of Use	(a) Number of gallons used	(b) Rate of tax	(c) Multiply column (a) by column (b) (except line 1)
1 Diesel-powered highway vehicles purchased this year (See instructions.)			\$
2 Nonhighway:			
a Farm (for farming purposes):			
(i) Gasoline, gasoline/alcohol mixture (gasohol)		.03/.0333/.09*	
(ii) Diesel fuel, diesel/alcohol mixture		.09/.10/.15*	\$
(iii) Special motor fuels, special fuels/alcohol mixture		.03/.045/.09*	
b Commercial fishing vessels (See instructions.):			
(i) Gasoline, gasoline/alcohol mixture (gasohol)		.03/.0333/.09*	
(ii) Diesel fuel, diesel/alcohol mixture		.09/.10/.15*	\$
(iii) Special motor fuels, special fuels/alcohol mixture		.03/.045/.09*	
c Off-highway business use (specify)			
(i) Gasoline, gasoline/alcohol mixture (gasohol)		.03/.0333/.09*	
(ii) Diesel fuel, diesel/alcohol mixture		.09/.10/.15*	\$
(iii) Special motor fuels, special fuels/alcohol mixture		.03/.045/.09*	
3a Intercity, local, and school buses (See instructions.)		.03/.0333/.09/.12/.15*	
b Qualified local buses (See instructions.)		.15	\$
4 Gasoline and diesel fuel used for certain nontaxable purposes		.03/.09/.10/.15*	\$
5 Gasoline/alcohol mixture (gasohol)		.0566	\$
6a Qualified methanol and ethanol		.06	\$
b Diesel/alcohol mixture		.05	\$
c Special motor fuels/alcohol mixture		.0566	\$
7 Leaking underground storage tank (LUST) taxes (See instructions.)		.001/.0011/.0005*	\$
8 Farm aviation (for farming purposes)		.03/.09/.12/.14*	\$
9 Other aviation (See instructions.)		.03/.09/.12/.14*	\$
10 Total income tax credit claimed (add lines 1 through 9). Enter here and on Form 1040, line 61; Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23b; Form 1041, line 24g; or the proper line of other returns			\$

* Use rate paid or allowable rate if less.

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** 7 hrs., 25 min.
- Learning about the law or the form** 6 min.
- Preparing and sending the form to IRS** 13 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to either IRS or the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Purpose of Form.—Form 4136 is used by individuals, estates, trusts, or corporations to claim credit for Federal excise tax paid on fuels used for certain nontaxable or reduced rate purposes, and to claim the credit for

diesel-powered highway vehicles. (Partnerships cannot file this form; instead, they must attach a statement to **Form 1065**, U.S. Partnership Return of Income, showing how many gallons of the fuels are allocated to each partner, the types of use, and the applicable tax rates.)

Which Fuels Qualify for the Credit.—Fuels eligible for the credit include gasoline (which includes gasoline blend stocks and additives), gasohol, diesel fuel, aviation fuel including kerosene, avgas, methanol, ethanol, benzol, naphtha, liquefied petroleum gas, casinghead and natural gasoline, and other taxable liquids. These fuels qualify for the credit (1) if they are used for the various purposes described in the line-by-line instructions, (2) if the purchase price of the fuels includes the tax, and (3) if you have not requested a refund of the tax. Fuels that are lost through spillage, accident, or shrinkage do not qualify for credit or refund.

Claiming a Refund Instead of a Credit.—Rather than waiting until you file your income tax return to claim credit for the tax paid, you may be able to file a quarterly claim for the first three quarters of the year on **Form 843**, Claim. See **Pub. 378**, Fuel Tax Credits and Refunds, for more information on quarterly refund claims.

Including Credit in Income.—The amount of the credit, except the amount on line 1, must be included in your gross income if you

claimed the taxes paid as an expense deduction that reduced your income tax liability. See the instructions for **Line 1, Diesel-Powered Vehicles**, for information on basis reduction. Also, see **Pub. 378** for more information.

Additional Information on Fuel Credits.—**Pub. 225**, Farmer's Tax Guide; **Pub. 595**, Tax Guide for Commercial Fishermen; **Pub. 378**, Fuel Tax Credits and Refunds; and **Pub. 510**, Excise Taxes for 1990; all contain additional information on the fuel tax credit. They are available from many IRS offices and the IRS forms distribution center for your area.

Line-by-Line Instructions

Line 1—Diesel-Powered Vehicles.—If you bought a diesel-powered highway vehicle during the year for a use other than resale and you are the first purchaser, you may claim a one-time credit of \$102 for an automobile and \$198 for a light truck or van. The vehicle must be a diesel-powered highway vehicle that has at least four wheels, has a gross vehicle weight rating of 10,000 pounds or less, and is registered for highway use in the U.S. under the laws of any state. Enter the credit on line 1. If you bought more than one vehicle, enter the total credits on line 1. If you claim the credit for diesel-powered vehicles, you must reduce the basis of the vehicle by the credit claimed.

Line 2a—Farm Use.—You may claim a credit for tax paid on gasoline, diesel fuel, and special motor fuels (or any of these mixed with alcohol) used on a farm for farming purposes in the U.S. Such farms include those that raise stock, dairy, poultry, or fur-bearing animals; and truck farms, plantations, ranches, nurseries, ranges, greenhouses, and orchards. See Pub. 225 for more information on who may claim a credit for farming purposes.

The credit amounts are as follows. Also, see *Line 7*, later.

Line 2a(i)—9 cents a gallon for gasoline; 3 cents a gallon for gasohol; 3½ cents (\$.0333) a gallon for gasoline purchased for mixing with alcohol.

Line 2a(ii)—15 cents a gallon for diesel fuel; 9 cents a gallon for diesel fuel mixed with alcohol; 10 cents a gallon for diesel fuel purchased for mixing with alcohol.

Line 2a(iii)—9 cents a gallon for special motor fuels; 3 cents a gallon for special fuels mixed with alcohol; 9 cents or 4½ cents (whichever paid) a gallon if 85% of the fuel consists of alcohol produced from natural gas; 3 cents a gallon for methanol and ethanol.

Line 2b—Commercial Fishing Vessels.—You may claim a credit for tax paid on gasoline, gasohol, diesel fuel, diesel fuel mixed with alcohol, special motor fuels, and special fuels mixed with alcohol used in a commercial fishing vessel. A **commercial fishing vessel** is one used in the fishing or whaling business only for catching shrimp and other aquatic life for sale commercially as bait, or on specific trips only for catching fish, shrimp, or other aquatic life to be sold commercially.

The credit amounts are as follows. Also, see *Line 7*, later.

Line 2b(i)—9 cents a gallon for gasoline; 3 cents a gallon for gasohol; 3½ cents (\$.0333) a gallon for gasoline purchased for mixing with alcohol.

Line 2b(ii)—15 cents a gallon for diesel fuel; 9 cents a gallon for diesel fuel mixed with alcohol; 10 cents a gallon for diesel fuel purchased for mixing with alcohol.

Line 2b(iii)—9 cents a gallon for special motor fuels; 3 cents a gallon for special fuels mixed with alcohol; 9 cents or 4½ cents (whichever paid) a gallon if 85% of the fuel consists of alcohol produced from natural gas; 3 cents a gallon for methanol and ethanol.

Line 2c—Off-Highway Business Use.—You may claim a credit for tax paid on fuels used for any off-highway business purpose. Off-highway business use does not include fuel used (1) in a motorboat that is not a commercial fishing vessel, or (2) in a highway vehicle that either must be registered for highway use or is owned by the U.S. and used on the highway. Enter the specific off-highway business purpose for which you used the fuel in the entry space on line 2c.

The credit amounts are as follows. Also, see *Line 7*, later.

Line 2c(i)—9 cents a gallon for gasoline; 3 cents a gallon for gasohol; 3½ cents (\$.0333) a gallon for gasoline purchased for mixing with alcohol.

Line 2c(ii)—15 cents a gallon for diesel fuel; 9 cents a gallon for diesel fuel mixed with alcohol; 10 cents a gallon for diesel fuel purchased for mixing with alcohol.

Line 2c(iii)—9 cents a gallon for special motor fuels; 3 cents a gallon for special fuels mixed with alcohol; 9 cents or 4½ cents (whichever paid) a gallon if 85% of the fuel consists of alcohol produced from natural gas; 3 cents a gallon for methanol and ethanol.

Line 3a—Intercity, Local, and School Buses.—You may claim a credit for tax paid on gasoline, gasohol, diesel fuel, and special motor fuels if you are the ultimate purchaser, and the fuel is used in a bus that transports the general public for a fee, or students and school employees. If the bus is an intercity or local bus and runs on nonscheduled irregular routes, you may claim the credit only if the bus seats at least 20 adults, not including the driver.

The credit amounts are 9 cents a gallon for gasoline and special motor fuels; 3 cents a gallon for gasohol; 3½ cents (\$.0333) a gallon for gasoline purchased for mixing with alcohol; 12 cents a gallon for diesel fuel used in intercity and local buses; and 15 cents a gallon for diesel fuel used in school buses. Also, see *Line 7*, later.

Line 3b—Qualified Local Buses.—A qualified local bus is any local bus that seats at least 20 adults (not including the driver), that transports the general public along regular scheduled routes, and that is under contract to, or receives more than a nominal subsidy from, any state or local government to furnish such transportation. You may claim a credit of 15 cents a gallon for tax paid on diesel fuel used in a qualified local bus. Also, see *Line 7*, later.

Line 4—Gasoline and Diesel Fuel Used for Nontaxable Purposes.—You may claim a credit for tax paid on gasoline, gasohol, diesel fuel, or diesel/alcohol mixture that is exported, used as supplies for vessels or aircraft, or used for a nontaxable purpose. Diesel fuel used in a boat is a nontaxable use. You may also claim a credit for tax paid (9 cents a gallon) on blend stocks and additives not used to produce gasoline, and tax paid on diesel fuel used in trains. The credit is 9 cents a gallon for gasoline and 3 cents a gallon for gasohol. The credit is 15 cents a gallon for diesel fuel, 9 cents a gallon for diesel/alcohol mixture, and 10 cents a gallon for diesel fuel purchased for mixing with alcohol. Also, see *Line 7*, later.

Line 5—Gasoline/Alcohol Mixture.—You may claim a credit for tax paid on gasoline that you use to produce a gasoline/alcohol mixture (gasohol) if the mixture is at least 10% alcohol, and the mixture was sold or used in your trade or business. The credit is 5.66 cents (\$.0566) a gallon for gasoline used in the mixture.

Line 6a—Qualified Methanol and Ethanol.—These are liquid fuels, 85% of which are alcohol produced other than from petroleum or natural gas. If you paid tax of 9 cents a gallon on these fuels, you may claim a credit of 6 cents a gallon.

Line 6b—Diesel/Alcohol Mixture.—You may claim a credit for tax paid on diesel fuel that is later used in a mixture of diesel fuel and alcohol if the mixture is at least 10% alcohol and the mixture was sold or used in your trade or business. The credit is 5 cents a gallon for diesel fuel used in the mixture.

Line 6c—Special Fuels/Alcohol Mixture.—You may claim a credit for tax paid on special motor fuels that are later mixed with alcohol if the mixture is at least 10% alcohol and the mixture was sold or used in your trade or business. The credit is 5.66 cents (\$.0566) a gallon for special fuels used in the mixture.

Line 7—Leaking Underground Storage Tank (LUST) Taxes.—You may claim a credit of ½ of 1 cent (\$.001) a gallon for tax paid on gasoline or gasohol used for off-highway business use; used in intercity, local, or school buses; on a farm or in farming aviation; in commercial fishing vessels; and in helicopter aviation use described below.

You may also claim a credit for tax paid on diesel fuel and special motor fuels for use on a farm, in commercial fishing vessels, in qualified local buses and school buses, and in off-highway use. The credit is ¼ of 1 cent (\$.001) for diesel fuel and special motor fuels and ½ of 1 cent (\$.0005) for qualified methanol and ethanol.

If you purchased any fuel for mixing with alcohol, the credit is ⅓ of 1 cent (\$.0011) a gallon.

Lines 8 and 9—Fuel Used in Aviation.—You may claim a credit for fuel (including an alcohol mixture) used in an aircraft on a farm for farming purposes, or used for commercial aviation, or certain helicopter and aircraft museum uses. **Commercial aviation** is the use of an aircraft in a business of carrying people or property by air for pay. See Pub. 510 for more information on fuels used in commercial aviation.

You may claim a credit for gasoline (avgas) used for these purposes at 9 or 12 cents a gallon whichever was paid. The credit is 3 cents a gallon for gasohol and 14 cents a gallon for aviation fuel used for these purposes. Also, see *Line 7*, above.

Helicopter Aviation Use.—The credit applies to fuel used in helicopters to transport individuals, equipment, or supplies to explore for, develop, or remove hard minerals, oil, or gas; or to plant, cultivate, cut, transport or care for trees (including logging); or to provide emergency medical service. To qualify, the helicopter may 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 under the Airport and Airway Improvement Act of 1982.

Line 10—Total Income Tax Credit.—Add the amount for each credit and enter the total on line 10. Also, enter the total credit on the proper line of your income tax return.