

**Schedule 3
(Form 8849)**

(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

**Certain Fuel Mixtures
and the Alternative Fuel Credit**

▶ Attach to Form 8849. **Do not** file with any other schedule.

▶ Information about Schedule 3 (Form 8849) and its instructions is at www.irs.gov/form8849.

OMB No. 1545-1420

Name as shown on Form 8849	EIN or SSN	Total refund (see instructions) \$
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Caution. The biodiesel mixture credit and renewable diesel mixture credit must first be taken as a credit against your taxable fuel liability (gasoline, diesel fuel, and kerosene) reported on Form 720. Similarly, the alternative fuel credit must first be taken on Form 720 as a credit against your alternative fuel or compressed natural gas (CNG) tax liability. If you have these tax liabilities and you did not make the claim on Schedule C (Form 720) as a credit against those liabilities, you must first file Form 720X, Amended Quarterly Federal Excise Tax Return, before Form 8849, Schedule 3, can be used for the refund. You cannot claim any amounts on Form 8849 that you claimed (or will claim) on Schedule C (Form 720), Form 720X, or Form 4136, Credit for Federal Tax Paid on Fuels.

The alternative fuel mixture credit cannot be claimed on this form or on Form 4136. It must be taken as a credit against your taxable fuel liability (gasoline, diesel fuel, and kerosene) reported on Form 720.

Claimant's registration no. ▶

Enter your registration number, including the prefix. Line 3 claimants must enter their AL or AM registration number.

Period of claim: Enter month, day, and year in MMDDYYYY format.

From ▶ **To ▶**

1 Reserved

Reserved

	(a) Rate	(b) Gallons of alcohol	(c) Amount of claim <i>Multiply col. (a) by col. (b).</i>	(d) CRN
a Reserved				
b Reserved				

2 Biodiesel or Renewable Diesel Mixture Credit

Biodiesel mixtures. Claimant produced a mixture by mixing biodiesel with diesel fuel. The biodiesel used to produce the mixture met ASTM D6751 and met EPA's registration requirements for fuels and fuel additives. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller. **Renewable diesel mixtures.** Claimant produced a mixture by mixing renewable diesel with liquid fuel (other than renewable diesel). The renewable diesel used to produce the renewable diesel mixture was derived from biomass, met EPA's registration requirements for fuels and fuel additives, and met ASTM D975, D396, or other equivalent standard approved by the IRS. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller, both of which have been edited as discussed in the instructions for line 2. See the instructions for line 2 for information about renewable diesel used in aviation.

	(a) Rate	(b) Gallons of biodiesel or renewable diesel	(c) Amount of claim <i>Multiply col. (a) by col. (b)</i>	(d) CRN
a Biodiesel (other than agri-biodiesel) mixtures			\$	388
b Agri-biodiesel mixtures				390
c Renewable diesel mixtures				307

3 Alternative Fuel Credit

	(a) Rate	(b) Gallons or gasoline gallon equivalents (GGE)	(c) Amount of claim <i>Multiply col. (a) by col. (b)</i>	(d) CRN
a Liquefied petroleum gas (LPG)			\$	426
b "P" Series fuels				427
c Compressed natural gas (CNG) (GGE = 121 cu. ft.)				428
d Liquefied hydrogen				429
e Fischer-Tropsch process liquid fuel from coal (including peat)				430
f Liquid fuel derived from biomass				431
g Liquefied natural gas (LNG)				432
h Liquefied gas derived from biomass				436
i Compressed gas derived from biomass (GGE = 121 cu. ft.)				437

Send this schedule with completed Form 8849 to: Internal Revenue Service, P.O. Box 312, Covington, KY 41012-0312; on the envelope write "Fuel Mixture Claim."

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

Future Developments

For the latest information about developments related to Schedule 3 (Form 8849) and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form8849.

What's New

The credits for alcohol fuel mixtures expired after December 31, 2011.

The alternative fuel mixture credit cannot be claimed on this form or on Form 4136. It must be taken as a credit against your taxable fuel liability (gasoline, diesel fuel, and kerosene) reported on Form 720.

Reminders

The refund claimed on Schedule 3 can be less than \$200 if the claim is filed electronically. For more information on filing electronically, visit the IRS *e-file* website at www.irs.gov/efile.

General Instructions

Coordination With Excise Tax Credit

Only one credit may be taken for any one gallon of alternative fuel. If any amount is claimed (or will be claimed) for any gallon of biodiesel mixture, renewable diesel mixture, or alternative fuel on Form 720, Form 720X, or Form 4136, then a claim cannot be made on Form 8849 for that gallon of biodiesel mixture, renewable diesel mixture, or alternative fuel.

Excise Tax Liability

Persons who blend an untaxed liquid with taxable fuel to produce a taxable fuel mixture outside the bulk transfer terminal system must pay the excise tax on the volume of the untaxed liquid in the mixture.

Use Form 720 to report these taxes. You also must be registered with the IRS as a blender (M registrants). Line 3 claimants must also have an AL registration number. See Form 637, Application for Registration (For Certain Excise Tax Activities).

How To File

Attach Schedule 3 to Form 8849. On the envelope write "Fuel Mixture Claim" and send it to the IRS at the address on page 1.

Specific Instructions

Total Refund

Add all amounts in column (c) and enter the result in the total refund box at the top of the first page of the schedule. See *Claim requirements* for each type of claim.

Amount of Refund

Multiply the number of gallons or gasoline gallon equivalents by the rate and enter the result in the boxes for lines 2 and 3, column (c).

Line 1.

These lines are reserved.

Line 2. Biodiesel or Renewable Diesel Mixture Credit

Claimant. The person that produced and sold or used the mixture in their trade or business is the only person eligible to

make this claim. The credit is based on the gallons of biodiesel or renewable diesel in the mixture. The biodiesel used to produce the biodiesel mixture must meet ASTM D6751 and meet the Environmental Protection Agency's (EPA) registration requirements for fuels and fuel additives under section 211 of the Clean Air Act. The renewable diesel used to produce the renewable diesel mixture must be derived from biomass, meet EPA's registration requirements for fuels and fuel additives under section 211 of the Clean Air Act, and meet ASTM D975, D396, or other equivalent standard approved by the IRS. Renewable diesel also includes fuel derived from biomass that meets a Department of Defense specification for military jet fuel or an ASTM specification for aviation turbine fuel. For a renewable diesel mixture used in aviation, kerosene is treated as if it is diesel fuel.



Renewable diesel does not include any fuel derived from coprocessing biomass (as defined in section 45K(c)(3)) with a feedstock that is not biomass.

Claim requirements. The biodiesel mixture credit may not be claimed for biodiesel produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The following requirements must be met.

1. The claim must be for a biodiesel or renewable diesel mixture sold or used during a period that is at least 1 week.

2. The claimant has a certificate from the producer. See *Certificate* below for details.

3. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 2 and 3 may be combined.

4. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for a biodiesel mixture sold or used during June and July must be filed by September 30.

Note. If requirements 1–4 above are not met, see *Annual Claims* under *Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

Certificate. The Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller must be attached to the first claim filed that is supported by the certificate or statement. For the renewable diesel mixture credit, you must edit the certificate and, if applicable, statement to indicate that the fuel to which the certificate and statement relate is renewable diesel and state the renewable diesel meets the requirements discussed earlier under *Claimant*. See Model Certificate O and Model Certificate S in Pub. 510. If the certificate and statement are not attached to Schedule 3 because they are attached to a previously-filed claim on Schedule C (Form 720), attach a separate sheet with the following information.

1. Certificate identification number.
2. Total gallons of biodiesel or renewable diesel on certificate.
3. Total gallons claimed on Schedule C (Form 720), line 13.

How to claim the credit. Any biodiesel or renewable diesel mixture credit must first be taken on Schedule C to reduce your taxable fuel liability for gasoline, diesel fuel, and kerosene reported on Form 720. Any excess credit may be taken on Schedule C (Form 720), Form 8849, Form 4136, or Form 8864. See Notice 2005-4 and Notice 2005-62 for more information.

Line 3. Alternative Fuel Credit

Claimant. For the alternative fuel credit, the registered alternative fueller who (1) sold an alternative fuel at retail and delivered it into the fuel supply tank of a motor vehicle or motorboat, (2) sold an alternative fuel, delivered it in bulk for taxable use in a motor vehicle or motorboat, and received the required statement from the buyer, (3) used an alternative fuel (not sold at retail or in bulk as previously described) in a motor vehicle or motorboat, or (4) sold an alternative fuel for use as a fuel in aviation is the only person eligible to make this claim.

Claim requirements. The alternative fuel credit may not be claimed for alternative fuel produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The following requirements must be met.

1. You must be registered with the IRS.
2. The claim must be for an alternative fuel sold or used (as described above under *Claimant*) during a period that is at least 1 week.
3. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 2 and 3 may be combined.

4. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for an alternative fuel sold or used during June and July must be filed by September 30.

Note. If requirements 2–4 above are not met, see *Annual Claims* under *Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

Carbon capture requirement. A credit for Fisher-Tropsch process liquid fuel from coal (including peat) can be claimed only if the fuel is derived from coal produced at a gasification facility which separates and sequesters at least 75% of the facility's total carbon dioxide emissions.

How to claim the credit. Any alternative fuel credit must first be taken on Schedule C to reduce your taxable fuel liability for alternative fuel (IRS Nos. 112, 118, 121, 122, 123, 124) and CNG (IRS No. 120) reported on Form 720. Any excess credit may be taken on Schedule C (Form 720), Form 8849, or Form 4136.

Any alternative fuel mixture credit must be taken on Schedule C (Form 720) up to the amount of your taxable fuel liability for gasoline (IRS No. 62), diesel (IRS No. 60), and kerosene (IRS No. 35) reported on Form 720.