

**Schedule 3
(Form 8849)**

(Rev. January 2016)
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) \$
----------------------------	------------	---------------------------------------

Caution: For 2015: See the instructions and Notice 2016-05 for information on how to make 2015 claims. Do not combine claims for 2015 and 2016 on the same Schedule 3 (Form 8849). For 2016: 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 Form 720, Schedule C, as a credit against those liabilities, you must first file Form 720X, Amended Quarterly Federal Excise Tax Return, before Schedule 3 (Form 8849) can be used for the refund. You cannot claim any amounts on Form 8849 that you claimed (or will claim) on Form 720, Schedule C; Form 720X; or Form 4136, Credit for Federal Tax Paid on Fuels.

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 Multiply col. (a) by col. (b).	(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 the 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 the 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 Multiply col. (a) by col. (b)	(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 or diesel gallon equivalent	(c) Amount of claim Multiply col. (a) by col. (b)	(d) CRN
a Liquefied petroleum gas (LPG)			\$	426
b "P" Series fuels				427
c Compressed natural gas (CNG)				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				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."

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

One-time claims for calendar year 2015. The credits for biodiesel mixtures, renewable diesel mixtures, and alternative fuels, which expired at the end of 2014, were retroactively reinstated for calendar year 2015. You can make a one-time claim for credits for sales or uses of these fuels in calendar year 2015. For information on how to make a one-time claim, see Notice 2016-05, available at www.irs.gov/pub/irs-drop/n-16-05.pdf, and *One-Time Claims for Calendar Year 2015*, below.

Alternative fuel mixture credits for 2015. The credit for alternative fuel mixtures also expired at the end of 2014, and is restored retroactive to January 1, 2015. If you want to make a claim for the alternative fuel mixture credit for 2015, including claims for the fourth quarter and liquefied hydrogen mixtures, you must file Form 720X, Amended Quarterly Federal Excise Tax Return. For information on how to make a claim, see Notice 2016-05.

Alternative liquid fuel gasoline gallon equivalent (GGE) and diesel gallon equivalent (DGE) claim rates. For sales or uses of fuel after December 31, 2015, liquefied petroleum gas (LPG) has a claim rate (or GGE) of 5.75 pounds or 1.353 gallons of LPG; and liquefied natural gas (LNG) has a claim rate (or DGE) of 6.06 pounds or 1.71 gallons of LNG.

Reminders

Reducing your excise tax liability. For federal income tax purposes, reduce your section 4081 excise tax liability by the amount of excise tax credit allowable under section 6426(c) and your section 4041 excise tax liability by the amount of your excise tax credit allowable under section 6426(d), in determining your deduction for those excise taxes or your cost of goods sold deduction attributable to those excise taxes.

Schedule 3 (Form 8849) can be filed electronically. For more information on filing electronically, visit the IRS *e-file* website at www.irs.gov/efile.

Purpose of Form

Use Schedule 3 (Form 8849) to make claims for sales or uses of biodiesel mixtures, renewable diesel mixtures, and alternative fuels.

General Instructions

One-Time Claims for Calendar Year 2015

You can make a one-time credit claim for your calendar year 2015 sales or uses of biodiesel mixtures, renewable diesel mixtures, and alternative fuels. To submit the one-time claim for excise tax credits, you must file Schedule 3 (Form 8849). The one-time claim rule does not apply to income tax credits for biodiesel mixtures, renewable diesel mixtures, and alternative fuels. You should continue to make those claims on Forms 4136 and 8864.

Taxpayers who filed "protective" or anticipatory claims for these credits must refile their claims in accordance with Notice 2016-05. The IRS will not process or pay protective or anticipatory claims except those refiled in accordance with Notice 2016-05.

You must follow the procedures below to make a one-time calendar year 2015 claim on Schedule 3 (Form 8849).

- Enter amounts for 2015 biodiesel mixtures or renewable diesel mixtures on line 2, and alternative fuels on line 3, as appropriate.
- Submit a single form for all 2015 biodiesel mixtures, renewable diesel mixtures, and alternative fuels credit claims; the IRS will not process multiple submissions from a claimant.
- You must file your 2015 claims for biodiesel mixture, renewable diesel mixture, and alternative fuel by August 8, 2016. The IRS will not process claims for calendar year 2015 received after that date.
- Do not combine claims for 2015 and 2016 on the same Schedule 3 (Form 8849).

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, Form 8864, or Form 4136, then a claim cannot be made on Form 8849, Claim for Refund of Excise Taxes, 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 (Form 8849) to Form 8849. If you are not filing electronically, on the envelope write "Fuel Mixture Claim" and send it to the IRS at the address at the bottom of page 1.

Specific Instructions

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

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.

Line 3. Alternative Fuel Credit

Claimant. For the alternative fuel credit, the registered alternative fueler 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. You must be registered with the IRS.

Carbon capture requirement. A credit for Fischer-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.

Claim rates.

- CNG has a claim rate (or GGE) of 121 cubic feet.
- Compressed gas derived from biomass has a claim rate (or GGE) of 121 cubic feet.

For sales or uses of fuel after December 31, 2015:

- LPG has a claim rate (or GGE) of 5.75 pounds or 1.353 gallons of LPG.
- LNG has a claim rate (or DGE) of 6.06 pounds or 1.71 gallons of LNG.

Example. 10,000 gallons of LPG \div 1.353 = 7,391 GGE \times \$0.50 = \$3,695.50 claim amount.

Amount of Claim

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).

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*, above for each type of claim.