

INTERNAL REVENUE SERVICE

NOV 7, 2000

Number: **INFO 2000-0383**  
Release Date: 12/29/2000  
Index Number: 6421.00-00

[REDACTED]

Dear [REDACTED]

I am responding to your letter of October 4, 2000, on behalf of your constituent, [REDACTED] regarding the federal excise tax applicable to kerosene and the burden of the tax on those who use kerosene for home heating purposes. [REDACTED] wants to purchase kerosene for home heating purposes at a tax-excluded price. On October 6, 1998, you forwarded a letter you received from [REDACTED] on the same issue. We responded by describing current law. Under current law, she can purchase dyed kerosene on which tax is not imposed or undyed kerosene at a tax-excluded price from a blocked pump. If she purchases undyed kerosene other than from a blocked pump, she would have to apply for a refund of the tax imposed on the kerosene used to heat her home.

[REDACTED] says the volume of undyed kerosene she could carry from a blocked pump would only heat her home for one or two days. As such, blocked-pump purchases are not practical and she must purchase the undyed kerosene at a tax-included price. She says she cannot file for a refund of the tax included in kerosene purchased between January and March 2000 until 2001.

To make kerosene available to [REDACTED] at a tax-excluded price when purchased from any source other than a blocked pump will require an amendment to the tax law.

I hope this additional information is helpful to you is responding to [REDACTED]. If you need additional information, please contact me or [REDACTED].

Sincerely,

Associate Chief Counsel  
(Passthroughs and Special Industries)

Richard A. Kocak  
Chief, Branch 8