

INTERNAL REVENUE SERVICE

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January 8, 2001

This responds to your October 23, 2000, letter to the [REDACTED] [REDACTED] in which you asked whether federal excise taxes apply to the bonded entry of gasoline and diesel fuel into the United States. [REDACTED]

Any question involving the application of tax law to a taxpayer's specific set of facts should be submitted to the National Office of the IRS as a ruling request pursuant to Revenue Procedure 2000-1, 2000-1 I.R.B. 4 (copy enclosed). If you would like a ruling on this question, please follow the instructions in the revenue procedure. In the meantime, we hope the following general information will be useful to you.

Section 4081 of the Internal Revenue Code imposes a tax on certain removals, entries, and sales of taxable fuel. Section 4083 provides that taxable fuel means gasoline, diesel fuel, and kerosene.

Under § 48.4081-3(c) of the Manufacturers and Retailers Excise Tax Regulations, tax is imposed on the entry of taxable fuel into the United States if the entry is not by bulk transfer. The enterer is liable for this tax.

Section 48.4081-1 provides that bulk transfer means any transfer of taxable fuel by pipeline or vessel.

Section 48.4081-1 provides that enterer generally means the importer of record (under customs law) with respect to the taxable fuel. However, if the importer of record is acting as an agent (for example, the importer of record is a customs broker engaged by the owner of the taxable fuel), the person for whom the agent is acting is the enterer. If there is no importer of record for taxable fuel entered into the United States, the owner of the taxable fuel at the time it is brought into the United States is the enterer.

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Under § 48.4081-1 an entry of taxable fuel into the United States occurs when the taxable fuel is brought into the United States and customs laws and regulations relating to entry into the United States for consumption, use, or warehousing apply.

If you have any questions or require further assistance, please feel free to contact my office at the number listed above.

Sincerely,

Associate Chief Counsel
(Passthroughs and Special Industries)

By:

Richard A. Kocak
Chief, Branch 8

Enclosure

