I. ONE-TIME CLAIM PROCEDURE FOR RETROACTIVE BIODIESEL BLENDER CREDIT

Retroactive Credit and Refund - The retroactive biodiesel blender credit claim must first be taken as a credit against any outstanding federal motor fuel excise tax liability (4081 liability) the claimant may have at the time of filing. Any excess retroactive biodiesel credit amount after all 4081 federal motor fuel excise tax liability is satisfied may be taken as a refund payment on IRS Form 8849 Schedule 3. In the alternative, the retroactive biodiesel blender tax credit many be taken as either a refundable or nonrefundable tax credit on claimant’s annual income tax filing.

Retroactive Credit Amount – The biodiesel blender credit amount is $1.00 per gallon for each claimant who created biodiesel blends sold as fuel (diesel fuel, heating oil, etc.) during calendar years 2018 and 2019.

Retroactive Claim Period – The retroactive claim period applies to biodiesel blends created after December 31, 2017 through December 31, 2019.

Retroactive Claimant Qualification - Claimant must have a valid IRS 637M certificate in order to make a claim for biodiesel blends created during calendar year 2018 and 2019. Claimants who do not currently have a valid 637M certificate must first obtain one from the IRS before filing a claim. Application for a 637M Registration is made on IRS Form 637.

Retroactive Filing Period -The filing period for the one-time retroactive biodiesel blender credit begins on February 14, 2020 and ends at midnight on August 11, 2020. Claimants may file before February 14, 2020 so long as the claim is properly filed according to the IRS retroactive claim procedures for calendar years 2018 and 2019. However, the IRS will not process claims before February 14. Also, the IRS will not accept any retroactive biodiesel blender credit claims for 2018 and 2019 filed after August 11, 2020.

Important! All retroactive biodiesel blender credit claims must be filed together on one claim form. Retroactive biodiesel credit claims may not be made with any other claim for biodiesel blends created after December 31, 2019.

IRS Forms

- All retroactive biodiesel blender credit claims must be made on IRS Form 8849 Claim for Refund of Excise Taxes and IRS Form 8849 Schedule 3 Certain Fuel Mixtures and the Alternative Fuel Credit.

- Use a single Form 8849 and Form 8849 (Schedule 3) to claim all retroactive biodiesel blend volumes created during calendar years 2018 and 2019. Enter 2019 and 2019 volumes on Form 8849 (Schedule 3) line 2. The IRS will not accept multiple claims or quarterly filings for biodiesel blends created during calendar years 2018 and 2019.

- Attach all biodiesel certificates to the Form 8849 and write “2018-2019 RETROACTIVE BIODIESEL BLENDER CREDIT CLAIM” at the top of the form.

- Mail retroactive biodiesel blender credit claims to:

  Internal Revenue Service
II ONE-TIME CLAIM PROCEDURE FOR RETROACTIVE ALTERNATIVE FUEL CREDIT AND FUEL MIXTURE CREDIT

Retroactive Alternative Fuel Credit – A retroactive alternative fuel credit in the amount of $0.50 per gallon is available for the following the sale or use of alternative fuel in motor vehicles, motor boats or aviation. Alternative fuels include natural gas, liquefied hydrogen, propane, P-Series fuel, liquid fuel derived from coal through the Fischer-Tropsch process and compressed or liquefied gas derived from biomass.

For propane and natural gas sold after December 31, 2015, the tax credit is based on the gasoline gallon equivalent (GGE) or diesel gallon equivalent (DGE). For taxation purposes, one GGE is equal to 5.75 pounds (lbs.) of propane and 5.66 lbs. of compressed natural gas. One DGE is equal to 6.06 lbs. of liquefied natural gas.

Retroactive Alternative Fuel Mixture Credit - A retroactive alternative fuel mixture credit in the amount of $0.50 per gallon is available for P-series fuels, liquified hydrogen, liquified or compressed fuel derived from biomass and liquid fuel derived from coal through the Fischer-Tropsch process.

Retroactive Claim Period – The retroactive claim period applies to alternative fuel credits and alternative fuel mixture credits applies to sale or use after December 31, 2017 through December 31, 2019.

IRS Form - The retroactive alternative fuel credit claim is made on IRS 8849 and 8849 Schedule 3 (line 3). The form may be mailed to the IRS address above or filed electronically.

Got Questions? Contact Mark S. Morgan, PMAA Regulatory Counsel at mmorgan@pmaa.org or (202) 364-67667